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The Nation's Business

Need Shown for Immigration Board

Robb Goes West

Can Conservatives Find Man Like Him?

Quebec Protects Paper Industry

THE Anglican Synod was in a state of great excitement this week when it was discussing immigration. Harsh words were spoken that no doubt led to many regrets, when they were seen in cold type in the morning papers. Speaker after speaker seemed to feel that any pronounced movement of new citizens to Canada would endanger our cherished institutions.

The somewhat befuddled argument at the Synod meeting merely reflected the lack of intelligent thinking on immigration that is general in Canada. It is doubtful which voice is heard most clearly; the plea of those who see the need for more immigrants and ask the government to bring in the people or the protests of those who fear that our immigration efforts are leading to unemployment and foreign influences. It is not uncommon for panic-stricken citizens and editors to take both sides of the controversy; to condemn the government for not promoting immigration and to condemn the government for letting a lot of foreigners come in and take jobs away from our good Canadian workmen.

Canada is hungry for population, certain labor leaders, ministers and thin-skinned ultra-Canadians to the contrary. But immigration without assimilation is not enough. Therein is the core of the problem; how to get population without creating unemployment, setting up homogeneous communities that will never become Canadian or filling up the country with individuals economically or socially unsuited to life here. No government can find a solution to the problem while it is continually harassed by the insistent shouting of first one side and then another, pleading to bring them in or keep them out.

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POLITICAL influence and private profit alike should be taken out of immigration. The crescendo of evidence that we are working at cross-purposes in immigration, is also evidence that we need a radical solution.

Big men who have studied immigration at first hand are convinced that the nation's part in immigration should be taken out of the hands of politicians and private parties and placed under a representative commission, not dissimilar to the railway board. Business, railway, agricultural or social leaders should be conscripted for service on such a body. They could bring about co-operative effort that would have the churches, provinces, labor and immigration departments, railways, land agencies and steamship companies working harmoniously to a common end, the aggressive, courageous but permanent settlement of Canada.

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THE capture of the Huron seat by George Spotton, the Conservative, was followed a few days later by the announcement that Hon. Jas. Robb, minister of finance, would make a speaking tour of the West. There is much speculation in both parties as to the objective of this trip. One thing is sure, it is another evidence of the understanding and astuteness of the man or men who manage the national Liberal Party. Mr. Robb was the find of last fall's campaign and he has come to be regarded as not only the most popular man in public life but as the strongest man in the Liberal Party. He was received with so much cordiality; so much confidence was shown in him by Ontario audiences; he brought back so many Liberals, estranged by Customs crookednesses which were winked at by some of his colleagues; he won so many supporters among Conservatives with his simple, straightforward talks on national economy and tax reduction, that the party managers cancelled Mr. King's Ontario tour and sent Mr. Robb back for another swing around.

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SO MUCH for Liberals. A wave of optimism prevails in Conservative circles. The convention, in numbers and importance of delegates, is assured of gratifying success. The Liberal press has been generous, regarding it as a great national event and, with all Canadians, hoping that a great leader may be found, a man who can evolve policies that will make the country prosperous and the people happy, that will keep Canadians in Canada and the Empire. But there seems to be much division among Conservatives as to what should be done. Many, including the Hon. Robert Rogers, think the adoption of a policy is the great big problem and the finding of a leader a minor matter. Others, equally lacking in understanding, are seeking a man of culture and a clever parliamentary debater.

But what does experience show? The big man in the public life on this continent is Mr. Coolidge. Mr. Robb

(Continued on page 16)

PREFERRED RATE IN FULL POSSIBLE NOW ON CANNERS

Current Earnings Reported to be Better Than 7 Per Cent.

INVENTORY REDUCED

Short Crop This Year Makes Sellers' Market; With Company in Possesison of Big Supplies

It is reported that Canadian Canners this year is earning somewhat better than 7 per cent. on its preferred stock, allowing for bond interest and the usual liberal sums for depreciation, etc. This compares with 5.9 per cent. last year. The company at present is paying 5 per cent. on this stock and it is thought probable that at no distant date the rate will be increased.

It is expected, further, that within a comparatively short time, something will be done with regard to the arrears of dividend, which now total about $20 the share.

With Canadian crops of fruits and tomatoes somewhat below the average in quantity, the outlook for Canadian Canners is considered to be bright in quarters where there is intensive study of this industry and its securities.

To Reduce Inventory

Canadian Canners entered the current year with manufactured goods on hand totalling $4,900,000, compared with an inventory of $3,700,000 at the beginning of 1926.

The company's cash position is such that a large inventory was nothing to worry about, but there was a question if this stock—large even for a company of the magnitude of Canadian Canners—could be removed prior to the incoming crop, and it remained to be seen, if there was a large crop in 1927, if some of the goods would have to be carried over two or three years.

But the short crop situation in 1927 corrects the situation. Whatever goods are carried over from last year at this moment will supplement the shortage of current crop and the market for the products will remain firm. It will be a sellers' market in the coming year, even if the remainder of the growing season for the late vegetables is favorable. And if it happens that

(Continued on page 13)

"POWER" IN DRIVE FOR WESTMOUNT LIGHT CONTRACTS

Out to Take Business from Civic Utility There

From Our Own Correspondent.

MONTREAL.—There has been a clash between the Montreal Light, Heat and Power Consolidated and the municipally-owned electrical distribution system of the city of Westmount. Montreal Power made a customer ownership stock offering to Westmount residents who already take gas from the company, but who purchase their power for domestic lighting from the Westmount municipal system. Users of gas in Westmount who have already subscribed to their allotment of two shares of Montreal Power stock were offered an additional three shares at $50 per share, provided they would not renew their contracts with the Westmount system but purchased power in future from Montreal Power

Naturally, on a cash basis the users of the Westmount service would have been wise to have accepted the offer. In the meantime, though, the Westmount a lower rate than rate by one cent per kilowatt hour. The Montreal Light, Heat and Power countered this offer by also making a reduction in its rate. The reduction would give users of power in Westmount power a lower rate than that prevailing elsewhere in Montreal.

Has a Community Spirit

Whether or not the Montreal Light, Heat and Power Consolidated will obtain many new Westmount customers, remains to be seen. There is a strong community spirit in the city of Westmount, and it may well be that many users of the Westmount power service will maintain their allegiance to the municipal distribution system.

The city of Westmount, which is entirely surrounded by the city of Montreal, purchases power en bloc from the Montreal Light, Heat and Power, and in addition takes care of peak loads by its own municipal steam generating plant. Profits which have accrued from the municipal service in Westmount have gone back into the property; an example of this is seen in the fact that the company's lines have been placed underground. The outcome of the clash between the privately-owned company and the municipally-owned system is awaited with much interest.

Statement Deprecating Rise in Steel Likely Next Week

At the regular meeting of the directors of Steel Company of Canada to be held next week, a statement regarding the stock, in all probability, will be forthcoming.

But there is not likely to be anything in the statement which will be, in itself, justification for the rapid advance in the price of this stock. The common is now selling over 200 and touched 222 this week. On January, the price was 118½.

Insiders Deplore Rise

A question of a split in this stock never has been discussed at a board meeting. It cannot be learned if a majority of the board has determined to take any action in the near future which would justify the rapid advance in the stock.

As is usual, some of the insiders are asserting in all sincerity that they dislike to think of investors paying such a high price for the stock. The company is in an extremely strong financial position and has been spending big sums in the last year or two in modernizing certain units of the various plants which were not efficient. Insiders are likely to view stock values on the basis of current dividends. On this basis, the stock is worth little more than its January price.

But the Steel Company of Canada is one of the leading industrials in the country. Its products are varied from pig iron to carpet tacks, and its plants are in the two active industrial areas of Montreal and Hamilton-Toronto. Excellence of management and fiscal policy have been demonstrated over a term of years.

If the present price of the stock is high, it is merely anticipating the future, whether a split in the stock comes, whether the company is acquired by United States Steel, or whether Lord Beaverbrook is again in

(Continued on page 4)

Shawinigan Completes Duke Price Power Line

Extension to System Means Much to Corporation and to Industrial Progress of City of Quebec — Adds 100,000 h.p. — New Stock Offering

From Our Own Correspondent.

MONTREAL.—The new transmission line of the Shawinigan Water and Power Company linking the Duke-Price development with the lines of the Quebec Power Company has been completed and is now delivering power in the territory surrounding the city of Quebec. The official opening of the new line will take place shortly.

The completion of this, the newest extension to the Shawinigan system, will mean much in the way of industrial progress for the city of Quebec. The transmission line delivers 100,000 h.p. from the Duke-Price generators to the lines of the Quebec Power Company, but the line itself is owned and operated by the parent organization, namely the Shawinigan Water and Power Company. Shawinigan sells 100,000 h.p. in all to the Montreal Light, Heat and Power Consolidated so that it can be seen that making available the same amount of power in the Quebec city area cannot fail but to bring about a considerable increase in the activity prevailing in that territory.

Used by Paper Plants

The power at present being delivered is used in part at the new plant of the St. Anne Paper Company; some power is also used there for the electrical generation of steam. When the new Anglo Canadian Pulp and Paper Mills enters production that plant also will operate its machines by power generated on the Saguenay.

The completion of the line means much to the Shawinigan Water and Power Company. In the first place, the power sold by the company has been increased from a total of some 600,000 h.p. to 700,000 h.p. This should mean an increase in the earning power of the company. Such an increase, though, naturally will not be proportional to the increase in the amount of energy distributed as much of the additional 100,000 h.p. has been sold in big blacks at a low rate.

Again, the purchase of the 100,000 h.p. load from the Saguenay will increase very materially the load factor on the Duke-Price plant and also substantially increase that company's earnings. But Shawinigan owns some 20 per cent. of the stock of the Duke-Price Power Company so that the completion of the new 100,000 h.p. transmission line ultimately means increased earnings for Shawinigan from two sources.

The new stock offering of the Shawinigan Water and Power Company to its shareholders will net the company $5,000,000. The proceeds of the new issue will be devoted to general corporate purposes. The territory served by the company has been the scene of steadily increasing industrial activity, especially in and around the city of Quebec.

Has Bought Subsidiaries

New paper mills in this district have been and are being erected, and recently the St. Anne Paper went into production, with a consequent increase in the demand for power. These and similar activities in Shawinigan's territory mean that the company has had to extend its line and the monies obtained by the sale of the stock will be used for purposes of this character. Then again, the company has, from time to time, acquired new subsidiaries. These have been small companies, such as the Beauharnois Electric, but the cumulative effect of its expansion along these lines has also required further large capital expenditure.

At the present time Shawinigan has outstanding 1,100,000 shares of no par value. As the shareholders are being offered new stock in the ratio of 1 new share for every 11 outstanding, it will be seen that the capitalization will be increased by 100,000 shares of no par value, which, at $50 per share, will net the company $5,000,000. Thus by November 15 this year, the Shawinigan Water and Power Company will have an outstanding stock capitalization of 1,200,000 shares.

Goodyear Co. Will Show Big Increase in Earnings

Building of Akron Subsidiary's Plant in Britain Likely to Lead to Intensified Sales Effort in Canada

The common stock of Goodyear Tire of Canada has been bid above 90 in the last week on the assumption that the report for the fiscal year ending September 30 will show much greater earnings than last year.

In the fiscal year ended September 30, 1926, the company earned $21.29 per share on the common stock after liberal appropriations for depreciation, etc. In the last few months, additional stock has been issued to shareholders of record at nominal prices so that a share of stock now represents approximately two-fifths the equity that one share represented a year ago.

Rate Will be Higher

On the basis of 133,300 common shares at present outstanding, the company last year earned approximately $8.50 the share. It is known that earnings this year will be considerably in excess of this figure. Several guesses have been made which are interesting, but no one in authority will venture to make an estimate until the final figures are available and it has been decided what sums will be set aside for depreciation and other charges.

Looking over a term of years, it is probable that this stock will do well. The company under its present management has shown a capacity for overcoming difficulties and it is reasonably safe to assume that mistakes which caused troubles in the past—as with so many other industrial companies—will not be repeated.

There is just one fact that should not be overlooked. That is, the parent company in the United States has another subsidiary in Great Britain which it is developing evidently for the purpose of taking care of much of the empire trade which now is confined to the Canadian company. A modern tire plant is nearing completion in England.

Just how far the activities of this plant in England will affect the earnings of the Canadian company remains to be seen. That it will curtail sales in certain of the British countries is not improbable.

In connection with this enterprise, it is interesting to note that the Canadian company is said to be planning a more intensive cultivation of the domestic market than heretofore has been the case. This move may or may not be in accordance with a plan to offset losses in the export field. But it is believed that the company, over a term of years, will do well in both the domestic and the export markets. In any event, a furtherance of the domestic market is a furtherance of the more profitable end of the company's business and it is possible that there will be no noticeable retarding of manufacturing expansion, in view of the constantly growing demand for tires and other rubber goods in Canada.

Chamber Head

—Photo by Wadds, Vancouver

A. MELVILLE DOLLAR, Vancouver shipping magnate and son of the famous Captain Robert Dollar, elected president of Canadian Chamber of Commerce.

FRASER COMPANY EXPANDS IN U.S. AND IN CANADA

Stock to be Split, Debentures Issued and Plants Enlarged

From Our Own Correspondent.

MONTREAL.—The Fraser Company is again to expand. The programme which the company has laid out includes the enlargement of its U. S. paper mill and further expansion in Canada by increased production from its Canadian mills and by the acquisition of further timber limits.

Construction work has already begun on the extension to the fine paper mill at Madawaska, Maine. This mill is now daily producing 75 tons of medium weight grade paper, and its output is finding a good market. It is planned to increase the daily production of this mill by a further 200 tons of high grade sulphite paper and board. By March 1, 1928, it is expected that two new paper machines will be in operation in the addition to the Madawaska plant. One of these machines will make 70 tons of heavier high grade paper daily and the other will produce 30 tons of the lighter weight sulphite paper.

Expand at Edmundston

The company's Edmundston, N. B., plant is located just across the border from the U. S. paper plant. The sulphite moves from the Edmunston pulp mill to the Madawaska paper mill through a pipe line.

The daily capacity of the Edmundston mill at the present time is 170 tons of sulphite. The output of this plant will ultimately be increased by a further 250 tons daily, and in addition to sulphite pulp, and sulphite board will also be manufactured.

The third pulp mill of the company is located at Chatham, N. B.; it has a capacity of 20,000 tons of unbleached sulphite pulp annually. At the present time about half the output from the Edmundston mill goes for further manufacture to the company's U. S. paper plant.

In the meantime, it is understood that the Fraser Companies has just completed a $100,000 timber limit purchase. In 1926, the Edmundston mill turned out, in addition to pulp, some 2,400 tons of sulphite wrapping and board. This was accomplished by utilizing the company's dry machines for the production of paper. Further expansion of the paper production at Edmundston will probably take place.

Authorize Debentures

To finance this large expansion programme, the Fraser Companies is to authorize an issue of $6,000,000, 6½ per cent., fifteen year debentures, which will carry the right to subscribe to two shares of no par value common stock with each $1,000 debenture. These debentures will be sold as financing is required.

In the meantime, the Fraser Companies is to split its 100,000 shares of $100 par value stock 3 for 1. The present preferred stock of the company is now convertible par for par into common stock. As soon as the changes in the capital structure of the company are ratified by the shareholders, the Fraser preferred will be convertible into three new shares of no par value. On October 20 the shareholders meet to ratify these changes in the company's capitalization.

It is thought that these plans for expansion will utilize most of the 20,000 h.p. for which the company has contracted for delivery in 1928 from the St. John River Power Company.

Hamilton Dairies Strong

Hamilton Dairies common reached a new high of 33½ on the Toronto stock exchange this week. This company is a merger of six milk, butter and ice cream plants in the Hamilton district. As reported in The Financial Post two weeks ago, merger problems have been solved and earnings are reported to be growing.

OIL SHARES ARE STILL IN DEMAND BUT YIELD LOW

McColl Bros. is Favorite, With British-American Close Second

IMPERIAL IS POPULAR

General View is That Expansion of Industry Must Continue With Corresponding Benefit to Holders

Shares in various oil companies have been in continued demand. Imperial Oil has been selling to yield less than 3 per cent. McColl has been selling to yield less than 2 per cent., and British American Oil has been selling to yield about 3 per cent. with the promise of a bonus at the end of the year. Canadian Oil sells on a 4½ per cent. basis.

So far as can be learned, there is nothing extraordinary in the outlook for the shareholders of these companies, except the extraordinary expansion of the refining and distributing industry. There is nothing to rumors of sale of McColl Bros. to British-American or to Imperial Oil, according to reliable authority.

Judge By Record

Investors merely are judging the oil business of the future by the records of Imperial Oil and other companies which have been some time in the business. The demand for the products of these companies grows by leaps and bounds and it is believed that earnings for 1927, judging by the tourist traffic as well as by the increase in domestic motor-vehicle registration, will be far greater than the earnings for 1926. And 1926 was a record-breaker itself.

McColl Bros. stock at the moment is probably the favorite of the stock market. This company is not involved in the troubles of the larger concerns which have ventured into the producing field and are embarrassed by the flood of oil from the Seminole field. Neither is it embarrassed by long-term contracts with affiliated producers. The lower the price of crude, the greater margin of profit for this company.

McColl Bros. also has benefited by a policy which has concentrated development largely in the Toronto field and in South-western Ontario, on the highways of the bulk of the tourist traffic from the United States

However, it may be pointed out, that the conservatively minded among observers of the stock market are of the opinion that this stock has risen far enough for the time being and are predicting that the rise, if any in the next few months, will be at a slower pace than has been maintained in the last six months.

B. A. Oil Does Well

British-American Oil is the second among the favorite oil stocks in the Canadian market. This company also is free in large measure from the difficulties of the producers owing to the excess production of oil in the last several months. It operates a refinery at Toronto and serves a widening area through its own service stations and through retail dealers. It is reported that business this year in volume is approximately double the business of last year.

Imperial Oil appears to be safely above the forties, for the time being at least. This company is in all branches of the business and its wonderful record, from the viewpoint of the shareholder, is cited as a guarantee that purchase of shares at the present low-yield basis will not be unprofitable to those who are reasonably patient.

Investors' Index

Auto. Credit	11	Lake of Woods	24
Brit. American	1	McColl	1
Can. Cement	4	Mount Royal	15
Canada S.S.	11	Nat. Steel	18
Can. Woollens	13	Port Alfred Pulp.	12
C. N. Income Stk.	12	Power Corp.	8
Cosmos	4, 11	Quebec Power	8
Dom. Canners	1	Seagrams	11
Dom. Iron	5	Shawinigan	1
Fraser Co.	1	Shredded Wheat	11
Ft. William P.	11	Simpson's	11
Frontenac Oil	24	Southern Canada	8
Goodyear Tire	1	Spanish River	11
Hayes Wheels	4	Steel of Canada	1
Hobbs Battery	11	St. Maurice Valley	6
Humberstone Shoe	4	Supertest Pete.	4
Inter. Nickel	11	Western Grocers	11

MINES FEATURES

Argonaut	17	Malartic	21
Barry-Holl.	17	Marriott	17
Clericy	19	Noranda	17
Con. Smelters	20	Oriole	18
Copper Hill	20	Ribago	20
Harvie	17	St. Anthony	20
Inter. Nickel	17	Sylvanite	21
Koot. Florence	20	Windfall	18

SPECIAL FEATURES

Canada's Council Seat Another Step Towards Separation 14
Canadian Taxes Take 18.26% of Production 15
Premier Bracken's Speech to Canadian Chamber of Commerce 8

REGULAR DEPARTMENTS

Business Review 2
Agricultural Survey 2
Editorial 10
Investors' Inquiries 11
When Women Invest 11
Insurance 22
Banking 23
Public Utilities 8

Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Generally Healthy State Characterizes Canadian Business
External Trade Reflects Prosperous Internal Conditions
Demand for Iron and Steel Causes Output to Increase
Trade Situation Reveals No Outstanding Features
August Building Permit Values Establish New High Mark

BUSINESS throughout the country appears to be in a generally healthy state. In a few instances, certain factors have reacted unfavorably but, taken as a whole, the situation is far from being unsatisfactory. Conditions at the moment are, in some respects, similar to those prevailing at the same time last year. The lull between summer and fall business is not any more pronounced this year, and if anything, the undertone to business is more confidential and optimistic. A relapse is possible, but manufacturers and merchants are following conditions so closely that anything like a major break is unlikely.

There is every reason to believe that the balance of the year will see a gradual increase in productive activity. The usual seasonal declines, moreover, are not expected to be so pronounced as in other years. This factor was much in evidence in the early spring months and had an appreciable influence on the excellent showing made in that period.

The outcome of the crop is still a matter of doubt. Neither has the grain started to move to market. Until the marketing of the crop gets into full stride and money starts pouring into the country, no pronounced change in existing conditions may be expected. On the basis of recent estimates, the grain crops of the Prairies should result in a revenue to the Western farmer of between $750,000,000 and $900,000,000. In the event of this sum being realized, there should be no diminishment in purchasing power.

External Trade Active

Judging from the volume of imports during the past six months, internal conditions are more prosperous than they were last year. Since the beginning of April to the end of August, goods brought into Canada were valued at $459,675,240. This compared with $423,641,165 in the same period a year ago, an increase of over $36,000,000. Information is not available to show the principal causes leading up to this increase, but in view of the lack of any outstanding features, the heavier volume of imports is attributed to a general all around betterment in demand.

Perhaps the most striking part of the foreign trade statement for August is its showing of an excess of imports for that month. Normally, August is a month of very large exports, exceeding imports by several millions, but this year the situation is reversed. Despite the fact that as compared with the same month last year, exports show an increase of nearly $4,000,000, imports jumped nearly $10,000,000, and what was last year a favorable balance of $3,000,000, has been turned into an unfavorable one of over $5,000,000.

Metal Output Increases

An encouraging sign in industrial activity is to be seen in the August report of iron and steel production. During the first five months of the current year, production of pig iron showed a substantial increase over the corresponding period of last year, but in June and July output slowed up, but in August activity became more pronounced and production once again exceeded last year. Changing of motor car models probably had more influence on the decline of production than any other factor. With the demand for the 1928 models becoming more pronounced, motor car manufacturers are stepping-up output and production of primary iron and steel during the balance of the year should show further increases.

Steel production follows closely the trend of pig iron output, although fluctuations are more pronounced. For the eight months ending August cumulative production of steel ingots and castings totalled 620,039 tons, as compared with 541,705 tons produced during the corresponding period of a year ago. The August output, amounting to 77,479 tons, was the greatest output reported since the record of 105,056 tons in 1923. Much of this additional production is being diverted to the construction industry, which has been more active during the past three months than was the case in the corresponding period of 1926.

Trade Reports Uninformative

Trade reports do not give any new impressions. Aggregate transactions, it is generally agreed, are equal to or above those of last year. The promise of an exceptionally good crop in the West has undoubtedly been largely instrumental in preventing any serious diminishment of buying power. This has been one of the best years for distribution of merchandise in a long time. Revenue freight reports show that car loadings of merchandise this year are well above those of 1926, and even during the week of September 5th, when the Labor Day holiday interfered, loadings were greater than in the corresponding week of last year.

Pursuance of present trade conditions during the balance of the year, will result in an aggregate volume of business of about ten per cent. excess of last year, which had been the best experienced since 1920. Few, if any industries, have reported boom conditions, the majority indicating satisfactory conditions. An exception to this general run of affairs, however, is to be seen in the rubber industry, which has been handling a record number of orders this year, not only from domestic but also from export sources. The cotton textile industry has also been active, but the even flow of trade has been hindered by violent fluctuations in the price of raw cotton.

Further substantiation of the excellent season being enjoyed by the construction industry, is to be seen in the August report on building permits, the value of which is the highest ever recorded for that month. Not only did it create a new record, but it was 154 per cent. higher than in the same month a year ago, which up to that time had been the second best on record. Nova Scotia, Quebec, Ontario, Manitoba and Alberta reported higher aggregates of building permits than in August of last year, Quebec showing the largest increase of $17,684,709.

For the first eight months of this year, cumulative total of building permits was 16.8 per cent. greater than last year, the previous high level of the record, while the average index of wholesale prices of building materials continued to be lower than in any other year since 1920.

Agricultural Survey

Federal Estimate Supported
Cutting Near Completion
Wheat Market Still Soft
Apple Yield Again Lower

Added support to the Federal Government's estimate of a wheat crop of 432,000,000 bushels for the Prairie Provinces this year, is seen in the preliminary estimate of the Winnipeg Free Press, which is only 8,000,000 bushels less than the disputed figure. This estimate was made after a tharough inspection of the principal grain growing districts in the West and reports from local correspondents.

Alberta's prospects for a record wheat crop still hold good, the Free Press estimate placing it at 175,000,000, which surpasses the Government's estimate by nearly 7,000,000 bushels. In the estimate of wheat production in Saskatchewan, the Free Press is more than 13,000,000 below the Government's figures and about 1,000,000 bushels lower for Manitoba.

Harvesting Delayed

The latest reports show that approximately 95 per cent. of the wheat is cut in Manitoba and from 75 to 85 per cent. in the other two provinces, while very large sections of oats and flax are still uncut. All harvesting and threshing was reported to be at a standstill early in the week on account of rains, and in some districts the grain is reported to have begun to sprout in the stocks.

Damage to the crops by weather or insect pests, appears to have been well discounted in arriving at recent estimates of the grain yields. Rust, frost and hail have been the chief sources of damage. Garnet and Durum wheats, two new types, have not apparently made a good showing this year. It was expected that Garnet would result in earlier harvesting and thus avoid the dangers of rust, but this year both Garnet and Durum have shown just as strong a tendency to rust as Marquis.

The market has naturally reacted to the optimistic reports. Grain dealers and others are scouting the idea of a better than 400,000,000 bushel wheat crop for the West this year, but the usually conservative and accurate estimate of the Free Press is convincing evidence that the yield will be large. Foreign buyers are holding off, in the hope that prices will go still lower. In view of the decline in spring wheat, production in the States and possibility of smaller crops in other grain growing countries than is now anticipated, the market may not sag as much as is expected at the moment.

Apple Yield Smaller

The Canadian commercial apple crop is now estimated at 2,740,800 barrels, as compared with 2,984,200 barrels last year. Unseasonable weather has materially altered earlier promises of a good crop this year. In Nova Scotia, the yield is estimated at 110 per cent. of last year's crop, but still below the 5-year average. Both New Brunswick and Quebec report a crop of about 90 per cent. of last year. In Ontario the crop is placed at slightly less than 600,000 barrels, or 6 per cent. less than a year ago. British Columbia is looking for a yield of 3,935,572 boxes, or 78 per cent. of 1926.

While the yield will be less than last year, prospects point to a better market, so that the monetary returns to the growers should be larger than a year ago. It will be remembered that last year, the Eastern United States had an exceptionally heavy crop which was ready for market about two weeks before the Canadian one. The surplus was immediately dumped on the British market, Canada's best outlet for this commodity, breaking prices down to a very low level. A repetition of this situation is not likely to happen this year. as a small crop is expected in the United States and a fair yield only in Britain.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest: This Year	Latest: Last Year	To Date: This Year	To Date: Last Year
Production—				
Pig iron, tons (Aug.)	63,234	58,780	517,844	496,876
Steel, tons (Aug.)	77,479	45,674	620,039	541,705
Newsprint, cwts. (June)	170,590	158,601	996,673	893,753
Automobiles (July)	10,987	15,208	137,795	140,085
Boots and shoes, pair (July)	1,344,232	1,485,225	10,191,993	9,931,670
Flour, bbls. (June)	1,314,212	....	8,105,839	9,024,000
Construction—				
Contracts awarded (Aug.)	$29,881,000	$31,696,000	$272,986,000	$260,104,000
Building Permits (Aug.)	$29,651,888	$11,672,599	$127,609,318	$109,211,942
Labor—Employment index (Aug.)	....	....	109.2	104.2
Transportation—				
Car loadings (to Sept. 10)	58,380	60,228	2,192,156	2,087,175
C.P.R. gross (July)	16,028,713	16,598,421	104,871,277	101,826,207
C.P.R. net (July)	3,126,786	3,921,135	16,139,086	17,877,823
C.N.R. gross (July)	21,032,354	21,278,013	150,731,168	146,739,904
C.N.R. net (July)	2,466,981	3,465,006	16,537,769	19.022.741
Population—				
Emigration (May)	5,259	......	26,775	......
Immigration (July)	12,288	16,227	89,722	64,531
Trade—(Aug.)—				
Imports	$99,348,340	$89,669,575	$724,585,923	$665,220,034
Exports	$94,216,194	$90,621,419	$736,035,397	$806,569,372
Imports of key products (July)—				
Rubber, lbs.	4,710,102	......(12 mos.)	56,078,082	45,509,551
Cotton, lbs.	8,483,874	......(12 mos.)	142,872,077	133,790,399
Sugar, $	4,027,802	......(12 mos.)	42,054,313	34,198,072
Petroleum (gal.)	70,304,637	......(12 mos.)	756,649,175	613,795,257
Coke, tons (July)	58,011	......(12 mos.)	813,966	1,033,398
Exports of key products (July)—				
Newsprint (cwt.)	2,810,859	......(12 mos.)	36,090,901	31,710,901
Automobiles (pass.) (No.) (July)	3,289	4,158	39,513	42,991
Wheat, bus. (July)	6,620,131	16,306,486	111,750,670	110,601,296
Wheat Flour, bbl. (July)	449,200	978,339	5,066,870	6,275,962
Finance—				
Failures, number (July)	110	140	1,000	994
Failures, liabilities (July)	$2,026,449	$2,352,078	$16,385,381	$16,546,913
Bank Debits (July)	$2,687,000,000	$2,424,000,000	$18,705,000,000	$16,965,000,000
Bond sales (Aug.)	$7,701,015	$13,894,036	$324,464,800	$414,015,862
Stock prices index (Sept. 10)	....	....	409.3	215.3
Insurance sales (July)	$39,962,000	$40,101,000	$286,838,000	$268,918,000
Wholesale prices (1913-100)—				
General index (Aug.)	....	....	152.3	154.0
Iron (July)	....	....	143.6	148.7
Cotton	....	......	143.6	153.0
Grains	....	......	181.6	171.4
Cattle	....	......	123.5	109.0
Rubber	....	....	57.7	65.8

Business Conditi ons in United States

Dollar volume of trade in the United States during the week ended September 10, as seen from figures on check payments, was greater than in either the preceding week or the corresponding week of 1926, according to the weekly statement of the Department of Commerce. Wholesale prices continued to average higher, as compared with the preceding week but were still below the level of last year. Prices of cotton continued to advance. Iron and steel prices, showing no change from the preceding week, averaged lower than a year ago.

Loans and discounts of Federal reserve member banks were higher than a year ago. Prices of stocks listed on the New York Stock Exchange showed little change from the previous week but were substantially higher than in the corresponding week of 1926. Interest rates on call loans averaged higher than in the previous week but were lower than in the same week of last year. Bond prices showed no change from the preceding week but were higher than in the corresponding week of a year ago. Interest rates on time money, showing no change from the previous week, averaged substantially lower than in the same week of 1926. The Federal reserve ratio averaged lower than in the previous week, but was higher than a year ago. Business failures were less numerous than in the preceding week but were higher than in the same week a year ago.

Production of bituminous coal during the week ended September 3 was larger than in the previous week, but smaller than in the same week of last year. The output of lumber during the same week was larger than in either the preceding week or the corresponding week of 1926. The production of beehive coke declined from both the previous week and the same week of last year. Petroleum production averaged higher than in the previous week, being substantially greater also than in the corresponding week of 1926. Receipts of wheat at primary markets were greater than a year ago. Cattle receipts on the other hand were smaller. Receipts of hogs showed a slight increase over a year ago.

Weekly Business Indicators
(Relative numbers, average 1923-25—100)

	1927 Sept. 3	1926 Sept. 4
Bituminous coal production	100.2	113.0
Lumber production	106.4	104.5
Beehive coke production	42.9	75.1
Petroleum prod. (daily aver.)	120.6	105.4
Freight car loadings	...	120.1
Building contracts (27 states)	92.4	125.7
Wheat receipts	196.0	162.1
Cotton receipts	119.6	101.9
Cattle receipts	104.4	122.2
Hog receipts	60.6	59.9
Price No. 2 wheat	95.1	93.7
Price cotton middling	*83.5	68.8
Price iron and steel composite	87.6	90.8
Fisher's price index	91.5	95.0
Bank loans and discounts (total)	117.6	113.5
Debits to individual accounts	102.8	102.3
Interest rates, call money	84.8	115.1
Business failures	84.5	92.6
Stock prices	181.1	137.2
Bond prices	109.4	106.2
Interest rates, time money	91.4	111.4
Federal reserve ratio	101.0	96.0

*Revised.

Heavy Grain Shipments Affect August Canal Traffic

Canal traffic during August last was heavier than in the same month last year, largely on account of the move among grain dealers to clear up stocks before the new crop started moving. On the Sault Ste. Marie canals iron ore traffic was heavier than in July, but was lighter than in August, 1926, by 1,990,636 tons. Grain shipments showed increases over last year's and also over the July shipments; the total tonnage through the locks, however, was lighter than in 1926 by 2,055,893 tons.

Total traffic on the Welland canal reached the high monthly record of 1,011,771 tons, being the first time to pass the million ton mark. The increase over last year's traffic was 381,602 tons, wheat increasing by 269,346 tons, sand by 32,626 tons, merchandise by 27,609 tons, rye by 27,375 tons and pulpwood by 27,004 tons. The total for the season to Aug. 31 was 4,118,807 tons, which was greater than in 1926 by 1,099,295 tons.

St. Lawrence canals report total traffic aggregating 1,128,517 tons or 329,672 tons heavier than in August, 1926. The big increase was 262,112 tons of wheat. Rye also increased by 22,238 tons; merchandise by 26,356 tons; pulpwood by 45,815 tons and sand by 25,967 tons. For the season to the end of August, the total traffic was heavier than for last year by 1,000,880 tons and for 1925 by 903,612 tons.

Produce Imitation Pearl in B. C.

A New York company, Paispearl Products Inc., one of the largest manufacturers of imitation pearl from fish scales, is erecting a plant at Nanaimo to manufacture from the fish scales of the British Columbia catch, and production is set for November.

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Better Methods of Fish Preserving Will Boost Exports to British Isles

Imperial Economic Committee Recommends That Canada, Newfoundland and United Kingdom Establish Research Stations on Both Sides of Atlantic to Foster Trade

Improved methods for the preserving of fish with a view to enlarging the trade in this commodity between Canada and the United Kingdom, is the principal recommendation of the Imperial Economic Committee of the Empire Marketing Board, in its initial report on the fishing industry of the British Empire. For some time past the committee has been engaged extensively in studying this industry and devising methods of bringing about better conditions, insofar as they affect the food supply of the Mother Country.

With this primary purpose in view, representatives of the committee in the different Dominions and colonies, have collected voluminous statements and statistics on the fishing industry in their respective territory, all of which have been collated. The United Kingdom's annual imports of fish amount to 10¾ million pounds sterling. Of the 9 1-3 millions retained for consumption, 2½ millions, or 27 per cent. come from Empire sources, and of this amount over three-quarters enter as canned or as cured and salted, the most important single item being canned salmon from Canada (£1,000,000). Canada possesses for the moment a practical monopoly in the imports of canned lobsters, the Newfoundland lobster fisheries having been closed until the end of 1927 to allow them to recuperate, while Newfoundland is the chief source of supply of salted cod. Refrigerated salmon and haddock are also sent from Canada and Newfoundland, as are brine-frozen salmon shipped by the Hudson's Bay Co.

Broad Plan of Research

Attention is brought to the fact that excessive fluctuations of prices on the wholesale market greatly increase the commercial risks attached to the despatch to the British market of fresh and refrigerated fish caught off the Newfoundland and Canadian coasts and thereby discourage this branch of inter-Imperial trade. To overcome this drawback, the committee makes the following recommendations:

So we reach our principal recommendation, which is that research should be instituted with a view to improving the methods of preserving fish from the moment when it has been caught to the moment when it reaches the consumer.

We think that this research should be based on (a) a Central Station at a fishery port in Great Britain; (b) a specially constructed vessel, and (c) a Canadian Station in the Maritime Provinces, in which last we hope that the Newfoundland Government as well as the Candian Government might be interested. We have commended the Central Station and the vessel to the initiative of the Empire Marketing Board.

Two stations, one on each side of the Atlantic would, in our opinion, be sufficient and we do not recommend more because a concentration of co-operating specialists and appliances is needed, and the best results from such expenditure as can be afforded are, in our opinion, likely to ensue from the arrangement which we have indicated in the last paragraph.

We have further suggested that the Governments of the United Kingdom and of Canada should encourage co-operation and correlation between the two stations, in order to cheapen costs and secure more rapid results, and in view of the interests of the Irish Free State and Newfoundland in the North Atlantic fisheries, we hope that they will endeavor to enlist the active interest of the governments of those countries.

Expense to be Divided

It is proposed that the expense involved in the carrying out of this suggested programme should be borne in the first instance by the Government concerned. As the experiments progress, however, and take the shape of trials on a commercial scale, which, if successful, would develop into reorganized methods in the industry at large, the trade should be called upon for an increasing share of the cost.

A move has already been made in this direction by the Canadian Government, which has established at Halifax an experimental station for brine freezing under the control of the Marine Biological Board. Whether the Government will supplement this beginning by the erection of another station or enlarge the facilities at Halifax, has not yet been decided. In any event, it is recognized that the development of an export trade in fish in prime condition to Europe depends on a satisfactory solution of the problem of preservation.

Will Open Up Market

The committee believes that, with a more regular and cheaper supply of fish in the best condition, the demand in Great Britain will be such as to absorb the increasing quantities forthcoming from the home fisheries as well as from the fisheries of Newfoundland, Labrador, and the Maritime Provinces. The view is taken that it would require only a relatively small expansion in the demand for white fish in the United Kingdom to absorb both greater supplies from the British fisheries and larger imports from Canada and Newfoundland.

Chain Food Stores Sell $50,000,000

In the pure food field, chain stores will sell $50,000,000 in Ontario and Quebec this year. Buying groups will sell an additional $42,000,000. The figures have been estimated by Canadian Grocer.

While it is impossible to give the exact figures for the past year for all the firms engaged in this kind of business, from information secured from different sources it is possible to present an estimate on the business to be done this year. In some instances the estimates are those that are definitely figured on by certain chain stores; in others they are based simply on the type of business being operated and what has been done in the past. These figures are presented in the accompanying panel and are estimated total sales for 1927 including not only groceries, but meats, fruits and vegetables, etc.

The number of stores shown in each case is also an estimate. There may be more or less by the end of the year.

Growth Very Pronounced

From the table it will be seen that twelve chain stores will do approximately $50,000,000 in Ontario and Quebec this year. Also that twelve buying groups will do approximately $42,000,000, making a total of more than $92,000,000. When it is considered that ten years ago there were scarcely more than one of these firms in existence, the development of chain stores and groups is very prominently emphasized.

As far as Ontario is concerned, the bulk of the business represented by these 24 firms is done in Toronto, although within the last two years other parts of Ontario have been invaded more strongly by both chains and groups. It has been calculated that in Toronto alone at least 70 per cent. of the grocery business is now done by chains and groups, together with Eaton's and Simpson's. That means that about 30 per cent. is left for the individual retailer, and even in many of these cases retailers have joined together for buying purposes on a small scale. In addition to the firms listed, there is a recently formed wholesale grocery company consisting of retailers in Ontario.

Two Firms Have One-Third Volume

It will also be noted that the largest chain store organization in the two provinces, and for that matter in Canada, is the Dominion Stores, which this year is expected to do close to $18,000,000. Loblaw's Groceterias Ltd., with only about 65 stores, is expected to have a volume of close to $13,000,000, or between the two of them $31,000,000. This is approximately one-third of the total business anticipated by the 24 organizations listed. Add to this the business of Arnold Bros. and the Superior Store organization, and we find that the four firms will do more than 50 per cent. of the estimated $92,000,000 business.

The most important development during 1927 has been the invasion of the Canadian market by the Great Atlantic and Pacific Tea Company's Stores of the United States. At the present time this firm has about 40 stores, but before the end of the year they should have a good many more, and perhaps the two million dollar estimate is somewhat low. Ottawa has come forward rapidly in chain and group developments in recent months. In addition to branches of the Pure Food Stores, at least two new buying groups have been established. Consolidated Groceterias Ltd. is a new company for Montreal to be formed of retailers.

Throughout Ontario there are several small groups at such centres as Brantford, Niagara Falls, Chatham, Guelph, etc. There are so many of these that it is difficult to form any estimate of the volume of business they are doing or will do this year.

CHAIN FOOD STORES, ONTARIO AND QUEBEC

	Approximate No.	Sales Estimate for 1927
Dominion Stores, Toronto	500	$18,000,000
Loblaws, Toronto	65	13,000,000
Arnold Brothers, Toronto	67	9,000,000
Wm. Carroll, Hamilton	55	2,500,000
Pure Food Stores, Montreal	50	2,500,000
A. & P., Montreal	40	2,000,000
M. & P., Windsor	30	1,800,000
Noads Stores, Toronto	9	350,000
Thomson Groceries Ltd., Toronto	7	250,000
Masons Groceterias, Peterborough	5	200,000
Red Star, Toronto	9	180,000
Boyles Cash & Carry, Peterborough	5	150,000
Total		$49,930,000
BUYING GROUPS		
Superior and Shop-Rite Stores, Toronto	230	$ 8,500,000
Adanac Stores Toronto	110	3,000,000
Red & White, Toronto and Windsor	200	6,000,000
Leader, Toronto	120	3,600,000
Supreme, Toronto	80	1,800,000
Maple Leaf, Toronto	80	1,800,000
Corporation d'Achats, Montreal (These include Regent Stores)	425	10,000,000
Regent Stores, Montreal	100*	1,000,000
Service Grocers, Ottawa	40	1,200,000
Nu-System Stores, Ottawa	12*	300,000
Victoria Stores, Montreal	130	3,500,000
Consolidated Groceries Ltd., Montreal	60*	1,500,000
Total		$42,200,000
Grand Total		$92,130,000

*New.

Study Canadian Conditions

Word from London, England, states that in order to bring before the investing public of Great Britain the opportunities that exist in Canada, A. J. McMillan, well known authority on Canadian Affairs, is being sent to Canada by The Financial Times of London, with assistants, to survey the whole field of industry here.

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HUMBERSTONE SHOE IS WORKING INTO BETTER POSITION

Net Earnings Increased in 1926-27—Orders on Hand Large

Net profits of the Humberstone Shoe Co., for the year ended July 31st, 1927, after depreciation and provision for bad debts, but before provision for Federal income tax, was $54,488. This compares with $46,274 for the preceding year, an increase of $8,214. Regular dividends were paid on the $280,000, 8 per cent. preferred stock outstanding, and at the rate of $2 a share on 10,000 common stock shares. The balance was carried forward to the credit of surplus account, which now stands at $30,794.

The balance sheet shows a strong liquid position. The company's new current assets of working capital, standing at $200,796, of which $64,865 is cash in the bank. Accounts receivable are less than last year, now totalling $57,641. Fixed assets are about $4,000 lower, having been written down to $182,196.

In pursuance of the policy of the management to retire preferred stock from earnings over and above dividend requirements, an additional one hundred shares have been purchased by the company for cancellation since the end of the fiscal year, thereby reducing the outstanding preferred stock to $270,000, and increasing the equity of the common shareholders correspondingly.

During the past year the directors decided to reorganize the sales department and inaugurate a more aggressive sales policy. This has been attended with excellent results. Orders on the books of the company as at August 1st, last, showed a most satisfactory increase over last year, and a number of new accounts have already been secured. A few additional lines have also been introduced on which a good volume of orders have been received.

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Stock Market

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	8	1	.	9
Paper	5	5	5	15
Steel	15	7	16	38
Foodstuffs	18	10	17	45
Utilities	10	12	11	33
Tractions	5	2	9	16
Textiles	6	2	9	17
Industrials	30	10	27	67
Total	97	49	94	240

MARKET INDICATOR

	High	Low
20 Industrial Stocks		
Week of Sept. 21	119.4	107.8
Week of Sept. 14	110.2	105.2
Month of Sept., 1926	85.9	80.0
9 Bank Stocks		
Week of Sept. 21	$290	$280
Week of Sept. 14	288	279
Month of Sept., 1926	226	223
10 Public Utilities		
Week of Sept. 21	$120	$118
Week of Sept. 14	120	117
Month of Sept., 1926	87	81

DIVIDEND HAYES WHEELS COMMON IS FORECAST

Understood More Will be Made Before Year-End

Hayes Wheels and Forgings will place the common stock on a dividend basis before the end of the year, according to information received from a reliable source. As the largest manufacturer of automobile wheels in Canada, the company has always experienced a fair measure of success, but since the change in the customs drawback last July and the consolidation with Canadian Hardwood Co., production and earnings have advanced rapidly.

Last year, the company reported net earnings of $315,677. This compares with $250,585 and $117,088 in 1925 and 1924, respectively. While there has been no interim report issued for this year, it is evident from the favorable reports on the company's business, that earnings for 1927 will equal or better the $400,000 mark. Interest on the funded debt and dividends on the outstanding preferred account for $81,500, leaving the balance available for the common stock, less sinking fund requirements on both preferred and bonds. The latest report shows that there are 50,000 shares of no par common stock outstanding.

Operating at High Level

Operations during the past few months have been at a high level. Changing models for 1928 requirements interfered with demand to some extent, but the company has been able to make a good showing. Orders on hand or in prospect indicate that the balance of the 1927 will be an unusually busy period for the company. The management, however, anticipate that their busiest season will take place next year, when volume production will start on the new Ford car. The proposed schedule of operations on the new Ford model has been delayed, and Hayes Wheels and Forgings will not benefit to the fullest extent until next year.

Meantime the management recognize that catering solely to the needs of the automobile industry is not the best policy to be pursued in view of the seasonal demand for motor vehicles. Hence, the company has been investigating a number of propositions whereby they could utilize their experience and equipment in developing sidelines which would enable the plants to be kept busy during the time when demand from automobile manufacturers is at a low point. While nothing definite has been done by the management in this regard, it is said that they have looked with favor upon the development of a pressed metals business.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft. Erie Bridge 7s '55	107½	109
Do., 8s '45	107½	...
Buff. Gen. Elec. 1st 5s '39	104	...
Bfo N & E Pow 5s '30	102	104
Lockport L H & P 5½ '54	102½	104

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Wood Gundy to Acquire Canada Cement Company

Sale Has Received Approval of Canada Cement Directors —Sir Herbert Holt Associated with the Purchasing Interests

From Our Own Correspondent.

MONTREAL.—Wood, Gundy & Co. is to acquire the Canada Cement Company for $46,875,000. It is generally understood that Sir Herbert Holt is associated with the Wood, Gundy interests in the transaction. The sale has received the approval of the Canada Cement directors, and on October 14 the shareholders will meet to ratify the sale. The proceeds of the sale of the assets will net the preferred shareholders $125 per share, and the common shareholders $250 per share for their stock.

According to the last annual report of the Canada Cement Co., the equity in the property now being purchased has a book value of $28,168,967. Thus it will be seen that the purchasers attach a value of some $18,700,000 more to the property than is shown in the books. In part this is represented by good will, but it is also represented by actual assets, for it is well known that Frank T. Jones, president of the Canada Cement, has long pursued conservative accounting methods.

Profits Figured on Price

After bond interest last year, the Canada Cement Company earned $1,986,110, which, on the $46,875,000 purchase price gives an indicated earning power of about 4.3 per cent. The management of the Canada Cement Company has always been conservative in reporting profits, and it can be taken for granted that the real profits on the new capitalization will be somewhat higher than this figure.

Canada Cement has been brought to its present strong position by the able and sound administration of Frank T. Jones, who has squeezed all the water out of the common stock and has steadily improved the position of his company, until it is now one of the foremost industrials in the Dominion.

Owing to the fact that it has the Canadian cement business practically entirely to itself, the company has been able to earn very substantial profits with cement prices ruling below those which prevail in the States.

Earnings Ploughed Back

The last balance sheet of the company showed that there were outstanding 105,000 preferred shares and 135,000 common shares. Thus Wood Gundy and Company will pay $13,125,000 for the preferred, and $33,750,000 for the common. How the earnings have been ploughed back into property may be judged from the fact that in 1926 $1,650,884 was written off for depreciation. A liberal depreciation policy such as this has been maintained for many years, so that it can be seen that the additional $18,700,000 which the purchasers are paying for the property over and above the book value of the assets, is in reality largely composed of actual assets and but little good will.

The Canada Cement Company has outstanding at present $4,543,147 in 6 per cent. first mortgage bonds. This is the entire bonded indebtedness of the company. When the Canada Cement Company is refinanced by its present purchasers there is the possibility that these bonds might be called, but as yet the Wood Gundy interests have not arrived at any decision regarding how the company will be re-financed. It may well be that the present outstanding bonds will not be redeemed. In the meantime, the market for the issue gives no indication that they will be called.

No Change in Company

The new interests in the Canada Cement picture will, as far as possible, leave unchanged the personnel of the company. The same policies which have been responsible for the past success of Canada Cement will be maintained in the future. Thus, practically no changes in the situation surrounding the cement industry in Canada will be brought about through the change in ownership of the Canada Cement Company.

It has been said that to date the Canada Cement Company has written off a total of $17,886,669 in depreciation. In addition, the company has invested large sums in subsidiary activities. The most important of these is the Consumers Glass, which has assets amounting to $3,878,727, and a surplus of over $1,000,000. The capitalization of this company consists of $500,000 in bonds, $500,000 in preferred and $500,000 in common stock. It is understood also that Canada Cement has a $1,000,000 investment in the Pennsylvania Gypsum Company. Payment will be made to the shareholders of the company on November 21 next.

UNLISTED SECURITIES

	Bid	Asked
Burns, P., pref.	100	..
Brooks Motor, 1 pref. & 1 com.	3½	4½
Can. Machinery, com.	6	..
Can. Westinghouse, com.	190	..
Chase, A. W., com.	5	..
Do., pref.	60	..
Dom. Combing Units	..	12
Fanny Farmer, com.	33	36
Do., pref.	34	36
Farmers Dairy, com.	115	..
Farmers Dairy, pref.	102	110
Goodyear Cotton, pref.	99	..
King Edward Hotel, Deb. A	70	72
King Edward Hotel, Deb. B	60	62
Loew's, Buffalo, pref.	32	37
Nat. Grocers, 1st pref.	99	..
Nat. Grocers, com.	1	3
Mortgage Discount, pref.	6¼	7
Toronto Finance, pref.	3½	4½
Insurance—		
British America	35	..
Canadian Fire, Full Pd.	110	120
Canada Life	925	...
Canada National	16	20
Capital Life, 20% Pd.	22	25
Casualty of Canada, Full Pd.	180	..
Commonwealth, 10% Pd.	20	25
Confederation Life, 10% Pd.	70	...
Continental Life 20% Pd.	55	62
Crown Life, Full Pd.	240	..
Dom. of Can. Guar. & Accident	310	...
Dominion Fire	105	..
Dominion Life, 50% Pd.	400	..
Excelsior Life, 30% Pd	95	..
Federal Fire, 25% Pd.	35	..
Fidelity of Canada, Full Pd.	120	135
Great West Life, Full Pd.	430	460
Imperial Life, 85% Pd.	385	...
Manufacturers Life, 45% Pd.	360	400
Monarch Life, 10% Pd.	39	48
Montreal Life, 20% Pd.	54	60
National Life, 25% Pd.	68	..
Ontario Equitable, 10% Pd.	30	34
Security Life, 40% Pd.	10	20
Sovereign Life, 25% Pd.	55	60
Sun Life, 75% Pd.	1050	1150
Toronto Casualty	26	30..
Western Assurance	45	..

International Paper Completes New Mill

From Our Own Correspondent

MONTREAL.—The Gatineau newsprint mill of the International Paper Company is now in complete operation. The first machine started in April, the second and third machines followed in May and June, and the fourth and last machine is now operating. Thus the rated capacity of the plant amounts to 600 tons of newsprint daily.

When tuned to its full capacity, the mill will produce paper with a width of 21 feet, at the rate of nearly a mile a minute. This amounts to 3,385 acres of paper daily, or over a million acres a year. The company's two Canadian newsprint mills now have a capacity equal to the entire production of all the Scandinavian mills. The Three Rivers mills produces 700 tons of newsprint daily.

SUPERTEST PETE COMMON LISTING EXPECTED SOON

Oil Distributing Concern Will Show $5 Profit on Junior Stock

The common stock of Supertest Petroleum Corp. will be listed on the Toronto stock exchange shortly, it is announced.

Supertest Petroleum Corp. operates more than 100 gasoline service stations in Western and South-western Ontario, in the Ottawa district and in the Montreal area. In addition, the company sells to retailers of gasoline.

The stations which the company operates itself are maintained on a basis of profit comparable to the profit which a retailer ordinarily should have from gas and similar products. In two instances, stations were not profitable on this basis. Consequently, these were sold to retailers who are operating refreshment booths in conjunction.

To Show $5 Earnings

The common stock, of which there are 25,000 shares outstanding, is now changing hands over the counter at around $25 the share. Earnings are reported on good authority to be at the rate of $7 the share after taxes, but before depreciation. It is expected that, after making due allowance for depreciation, the earnings after dividends on the two classes of preferred shares, will be in the neighborhood of $125,000, or $5 the share.

This company has been in operation for about six years. With headquarters in London, Ont., the activities have been largely concentrated in the area of Southwestern Ontario. This district has been characterized as the best on the continent for a business of this character.

STATEMENT DEPRECATING RISE IN STEEL LIKELY NEXT WEEK

(Continued from page 1)

the picture with a purchase plan which will benefit shareholders.

Good for Long Term, Anyway

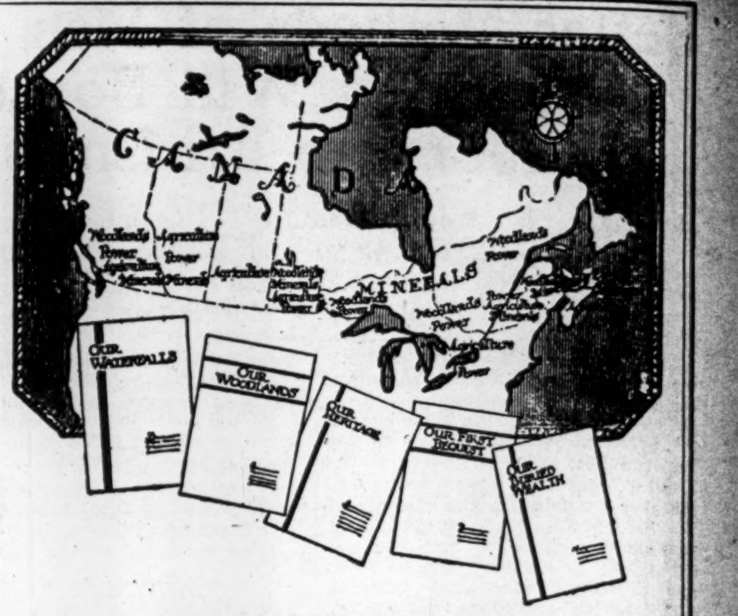
In the minds of the Street, there is hardly a doubt that something nice is coming for shareholders. No stock is likely to move so rapidly forward as has Steel Company of Canada in the last four or five weeks, and particularly the last week, unless it was fairly certain that something was in the wind. It is probable, however, that a short interest was scurrying for cover this week when, for a moment, the stock was bid above 220. The price settled a bit soon after to slightly above 200.

As a long-term investment, Steel Company of Canada has hardly less attraction at 200 than it had at 140, which was the prevailing price in the earlier months of the year. As a speculation with possibilities of immediate gain should there be any truth in any of the rumors concerning the stock, the common has its attractions for many, although a failure of negotiations might give rise to disappointment.

The preferred stock of Steel of Canada is also a speculative possibility because the preferred is participating with the common after the common receives 7 per cent., as at present. Thus a split in the common would have to have the assent of 75 per cent. of the preferred at a meeting, and it may be taken for granted that a split would not mean any curtailment of the participating privileges of the preferred.

BIG MONEY MADE

MONTREAL. — A leading Montreal brokerage house is credited with having earned over a million and a half dollars for its clients during the past three months. The harvest was reaped in the investment in Canada Cement, Steel of Canada, and National Breweries, on the recommendation of this house.



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Cosmos Earns at Lower Rate; But Outlook is Good

Recession of three or four points in the market value of the common stock of Cosmos Imperial Mills in the last two or three weeks is a reflection of the earnings position of the company. Viewing the stock as a long-term investment it cannot be said that the outlook is any less promising than heretofore. But the more immediate prospect is not quite so rosy as it was a few weeks ago.

The fact is, according to authoritative report, earnings have receded somewhat from the figure maintained in the spring. This is a reflection of the situation in the newsprint industry. One of the principal products of Cosmos is a canvas belt used on paper-making machines. With the newsprint industry manufacturing at about 10 per cent. under the normal, and 18 per cent. under the rated capacity, there is naturally a lighter demand for this product manufactured by Cosmos.

Eventually, the newsprint industry in Canada will get back to its former rate of production and it is fair to assume that this will mean renewal of record earnings for Cosmos. There are other factors which lead to the belief that, in the next year or eighteen months, the company's position will show a material improvement.

Manitoba Telephone System reports a surplus of $151,431 for the eight months to July 31, an increase of $34,419 over 1926.

101 OPENINGS FOR INDUSTRY

is the title of an interesting booklet just produced by the Industrial Development Board of Manitoba. It describes with facts and figures the present market of Manitoba and the West, tributary to Winnipeg, and its exceptional opportunities for industrial enterprises.

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Write for full information to the Industrial Development Board of Manitoba, Winnipeg

Unfavorable Weather Delays Mid-West Harvest Operations

From Our Own Correspondent.

REGINA.—Weather during the past week has been unfavorable for harvesting and threshing operations, according to telegraphic reports received by the Statistics Branch, Department of Agriculture. Rain on the 13th and 14th stopped work in the fields in many districts, consequently very little threshing has been done. It is hoped that with good weather threshing will be resumed this week. The rain has lodged the standing grain in some fields and some fear loss of a grade through bleaching.

Wheat cutting is from 85 to 90 per cent. completed and coarse grains are possibly from 65 to 70 per cent. completed. Not enough of the grain has been threshed to give any further indications of the average yield or grade. Although those reporting show quite a wide variation. The oat crop in general in the western part of the province appears to offer good promise, but in the eastern part, particularly toward the south, rust has caused considerable damage in some oat fields and the yields are expected to be disappointing in these districts.

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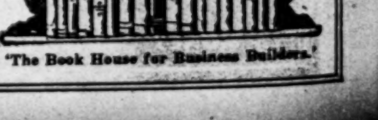

'The Book House for Business Builders.'

SYDNEY EXPECTS STEADY ACTIVITY AT STEEL PLANT

Wolvin Optimistic Also Regarding Sales of Coal

From Our Own Correspondent.

SYDNEY, N. S.—Sydney steel plant of Dominion Iron and Steel Corporation is assured of steady work at its present rate of 70 per cent. of capacity until the New Year, through the new C. N. R. rail arrangement, announced by J. M. MacDonnell and Edward Fitzgerald, of the National Trust Corporation.

The railway authorizes the plant to roll any quantity of 100 pound rails up to 20,000 tons against the requirements of next year, the finished product to be stored by Besco for delivery during 1928.

May Be Chilean Order

Mr. Fitzgerald had nothing definite to say about a rumored rail order from Chile. Except that negotiations with the Chilean authorities are now underway.

With substantial orders from India and Jamaica, the C. N. R. move puts the rail mill on its feet for the balance of 1927 at least.

The immediate outlook in the coalfields, which have enjoyed boom times for nearly a year, is not nearly so good, in spite of president R. M. Wolvin's unusually optimistic statement that he "hopes" to put 3,000,000 tons of Nova Scotia coal into the St. Lawrence market next summer.

The whole night shift at the Dominion Coal Company's machine shop Glace Bay, totaling 40 men, some of them veteran employees, has just been laid-off, an ominous sign and in former years a sure forerunner of protracted winter slack time at the mines.

Can It Hold Montreal Market

To date, something over a million tons have been shipped up the river, but the season's sales there were earlier confidently estimated at 1,500,000 tons at least, and businessmen are asking themelves: "If Besco cannot hold the Montreal market with American mines idle, how is it likely to do any better next year?

Another disturbing factor is the threat of British coal owners to invade the Canadian market with the sale of 15.000,000 tons as their objective. They claim they can land coal in Canadian ports at a total handling and transportation cost of 10 shillings a ton, against similar charges on American coal of 22 shillings a ton.

Local people are asking: "Why, cannot Besco do the same? It also has the advantage of a water route with a much shorter voyage than the British, and also, the aid of the Canadian coal tariff, such as it is."

The steady operation of Sydney mills since the National Trust took charge over a year ago has given the local public a very high opinion of the efficiency of the sales organization set up by the trust executive. executive.

New Investment House Partnership Announced

From Our Own Correspondent.

MONTREAL.—Formation is announced of a new bond house under the name of Societe Generale de Finance, Inc., by J. H. Marcotte, J. Eugene Lajoie, Rene Germain, Louis J. Lacoste. The firm will deal in government and municipal public utility and industrial bonds.

The members of the firm are well-known in financial circles. Mr. Marcotte was until recently manager and treasurer of Versailles-Vidricaire & Boulais, Ltee.

Mr. Lajoie was also a director, and for a number of years chief inspector of Versailles-Vidricaire & Boulais, Ltee. As president of the committee for the protection of bondholders of Caron Freres, which committee also includes two of his present associates, Mr. Marcotte and Mr. Labrecque, he has for the past few months devoted practically all his time to the protection of various interests concerned.

Rene Germain was for nine years associated with the firm of L. G. Beaubien & Co., members of the Montreal Stock Exchange.

Mr. Lacoste has had extensive experience with the National City Bank, of New York; A. E. Ames & Company, and latterly with the firm of Versailles-Vidricaire & Boulais, Ltee.

Nanaimo Brewery Sold to Lethbridge-Victoria Group

E. M. Sick, general manager of the Lethbridge Brewery and Victoria Associates, have purchased the stock of the Nanaimo Breweries Ltd. It is proposed to move the brewery from Nanaimo to Vancouver. Options have already been taken on two sites in this city, and plans call for the erection of a brewing plant with a capacity of 25,000 barrels per year.

"The real sound progress Western Canada is making at the present time, in contrast to the days before the war when the progress was somewhat inflated impresses me more than anything else," states D. A. Whittaker, of Montreal, vice-president of Sherwin Williams Paint Co.

Stock Market Record

WEEK ENDING SEPTEMBER 20

	Div. Rate	Yield Sept. 19	High for wk.	Low for wk.	Close Sept. 20	Close Sept. 13	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	4.51	290	280	290	280	1029	295	228
Dominion	12+1	4.74	274⅞	269	270	269	706	275	217
Can. Nationale	10	5.10	197	190	196	194	490	197	160½
Imperial	12+1	5.20	250	240	248	245	508	256	214
Montreal	12+2	4.06	348½	340	347	344	966	355½	272
Nova Scotia	16	4.02	396	375	393	377	814	398	298
Royal	12+2	4.36	330	313	326	315	1555	344	257
Standard	12	5.02	239	227	238	230	1111	239	196
Toronto	12	4.19	286	281	286	287	448	287	227
Paper—									
Abitibi, com. (no par)	5	4.67	108⅞	104½	107⅞	108½	1804	109½	82
Do. pref.	7	6.03	..	...	...	...	...	119	113
Belgo-Can., pref.	7	6.82	103½	102½	102½	103	80	105¼	101
Brompton (no par)	$2	4.89	41¼	40½	40¾	40½	4695	42¼	31
Fraser, pref.	7	6.86	102	102	102	102	107	102	96
Inter. Paper, c. (no par)	2.40	4.52	55½	53⅛	55¼	54¼	16000	60⅞	39½
Do. pref.	7	7.02	..	...	...	...	...	99½	98⅞
Laurentide	6	5.66	108¼	93½	104	93½	30660	110¾	90
Price Bros., com.	2	3.27	62¼	59¾	61	62	300	63	51¼
Do. pref.	6½	6.20	103¼	103	103¼	104	6	104½	100
Smith, Howard, com.	.	...	69	68	68	67½	75	69	59
Do. pref.	8	7.24	..	...	...	...	...	112	103½
Span. River, com.	7	6.86	103	101	101½	102	2235	106½	97⅛
Do. pref.	7	5.95	118½	117¼	117¼	117¼	155	121	110¼
Wayagamack (no par)	$3	3.67	84½	82	84	81½	3430	84½	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	..	...	...	...	...	1⅜	½
Do., pref. (par $50)	.	....	60	18	18	17¾	10	29¼	10
Do. 2nd pref.	.	...	1½	1½	1½	1¼	150	4	1
Can. Car & Found., com.	.	...	38	36½	37	36½	450	50¼	35
Do. pref.	7	8.04	87½	86¾	87	87	180	94½	86¼
Can. Fairbanks, pref.	6	5.88	..	...	...	...	...	102	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	18
Do. pref.	1½	...	..	...	...	...	...	87½	66
C. G. E. com., (par $50)	.	...	55	58½	58½	59	85	61	55
Do. pref. (par $50)	7	5.98	18	58½	58½	59	85	61	55
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	...	..	...	...	...	...	60	42
Can. Locomotive, com.	.	...	40	40	40	42	25	48	25
Do. pref.	7	8.53	80	79	79	80	10	89	80
Carr. Factories, com.	.	...	..	...	...	...	...	¼	¼
Dominion Bridge	4	1.61	254½	222	252	220	20115	248	116¾
Dominion Coal	.	...	75	75	75	75	50	85	69
Dominion Iron, pref.	.	...	..	...	...	...	...	5	1½
Dom. Steel Corp., pref.	.	...	..	...	...	...	...	32½	20
Ford Motor	15	...	..	...	...	...	...	475	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	9	7	7	6½	127	15	6¼
Do. pref.	7	8.86	80	79	80	79*	42	95	65
Massey-Harris, c. (no par)	.	...	38½	36½	37	37¼	6250	42¾	29
Do. pref.	7	6.48	108½	108	108¼	108	922	109¾	103½
McKin. Ind., c. (no par)	.	...	23¼	23	23	22	480	25½	15
Do. pref.	7	7.40	94½	94	94½	95	130	97	93¼
Do. Vot. Trust	.	...	23¼	23	23	22½	810	26¾	15
Ontario Steel, com.	4+1	4.76	105	105	105	105	50	105	73
Do. pref.	7	6.66	105	105	105	105	50	105	100
Page Hersey, c. (no par)	$3	3.75	81	77½	80¼	77⅞	4373	81	55½
Do. pref.	7	4.34	161¾	157	159¼	158	763	161¾	116
Pressed Metals, com.	3	6.66	45½	45	45½	45½	365	46¾	34¼
Do. pref.	7	7.52	100	100	100	93	10	100	85
Russell Motor, com.	3	5.60	53½	53½	53½	60	200	60	52
Do. pref.	7	7.29	97	96	97	99	7	99	90⅛
Steel of Canada, com.	7	3.80	198½	159	197	160⅜	18034	198½	117
Do. pref.	7	4.14	190	160½	190	161	180	169	127
Milling and Foodstuffs—									
Alta. Pac. Gr., c. (no par)	.	...	34½	32½	34	32¼	6149	34¾	19½
Do. pref.	7	7.52	93	90½	91	92	576	93½	85
Arnolds, c. (no par)	.	...	16¼	14	16	14	2445	26	10½
Do. pref.	7	8.64	..	...	...	...	...	95	81
Atlantic Sug., c. (no par)	.	...	24¼	23	23	23	697	32	21¾
Do. pref.	.	...	..	...	...	...	...	101¼	90
B.C. Fishing, c. (no par)	$1.25	9.61	15	12½	12¾	14¾	2020	22	12½
Do. pref.	7	9.33	79	73½	73½	80	521	90	73½
Can. Bak., c. (no par)	.	....	35½	33	34	29	515	38½	26
Do. pref.	7	7.00	100	99½	100	99¾	145	102	97
Can. Bread, c. (no par)	$6	4.13	147	119	147	118½	807	147	90
Do. pref. (A)	7	5.78	125	119	120	122	270	125	108½
Do. pref. (B)	7	6.25	115	112	112	112	192	115	103
Can. Canners, com.	.	...	52	50½	51	52	612	63½	21
Do. pref.	5	5.37	93½	91¾	93⅜	92	2491	97	76
Canadian Salt	8	5.94	..	...	...	...	...	140	123
Christie Br., c. (no par)	$1.20	2.00	60½	60½	60½	60½	10	66	38
City Dairy, c. (par $25)	3+1	2.51	160	155	155	160	60	165	79
Do. pref.	7	5.73	122	122	122	122	15	123	112
Cuban Can. Sugar, c.	.	...	1½	1¼	1½	1½	25	5	1¼
Do. pref.	.	...	29	29	29	26	15	37	26
Wm. Davies (A) (no par)	.	...	42	40½	42	40½	315	45	25
Do. (B) (no par)	.	...	..	...	...	...	...	19½	9
Dom. Stores (no par)	$2.40	3.00	82	78	80	79	524	85½	65
Ham. Dairies, c. (no par)	.	...	33½	31	33½	30½	204	33½	24
Do. pref.	7	7.29	96	95¼	96	95½	204	98½	95¼
Inter. Milling, pref.	7	6.48	108¼	107¼	108¼	107½	91	108¼	104
Lake of Woods, c.	12	8.00	150	149	150	150	16	160	130
Do. pref.	7	6.08	..	...	...	...	...	118	110
Loblaw, com. (no par)	$1	1.66	64	60	64	64	129	65	48
Do. pref.	7	5.73	123	122	123	120	30	123	107
Maple Leaf Mill, c.	.	...	78	67	78	65	340	78	49
Do. pref.	7	7.14	98	97¾	98	98	120	101¼	94
Ogilvie Fl., c. (no par)	$5+10	4.57	328	299½	325	298	382	328	205
Do. pref.	7	5.60	125	125	125	126	30	126	120¼
Pure Gold Mfg. (no par)	$1.50	7.00	21½	21½	21½	21½	100	22	19⅛
Shred. Wheat, c. (no par)	$3	4.41	70	67½	67⅞	69¾	953	70½	55
St. Law. Flour, c.	.	...	29	26	26	25	45	31½	25
Do. pref.	7	8.23	..	...	...	...	...	85	79½
Viau Biscuits, c. (no par)	.	...	..	...	...	...	...	26	16
Do. pref.	7	7.95	86	86	86	88	2	92½	83½
W. Can. Fl., c. (no par)	$1.40	5.18	28	24	27	23½	332	29½	22
Do. pref.	6½	6.37	102	101	102	106	38	106	100
W. Groc., c. (no par)	$1	...	17	17	17	15	25	29	13
Do. pref.	7	8.97	..	...	...	...	...	84	74¼
Utilities—									
Bell Telephone (Rts.)	.	...	9⅜	9	9	9¼	13518	10½	8
Bell Telephone	8	5.31	150½	148	150	148⅛	348	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.40	185	182½	183	186	209	186	171½
East Koot. Pr. (no par)	.	...	..	...	...	...	...	29¼	25
Do. pref.	7	7.36	..	...	...	...	...	98½	95
Inter. Util. (A) (no par)	$3.50	7.93	44	43	43½	44	2180	46	28
Do. (B) (no par)	.	...	7	6½	7	6¾	579	9⅝	4½
Jaaica Pub. Ser., pref.	7	6.94	..	...	...	...	...	105	97
Laurentide Power	5	4.00	135	109	125	105	1034	135	105
Mackay, com.	7	5.60	125	121	124	120½	4	132	108
Do. pref.	4	5.71	70	70	70	72	37	74	67
Mexican Light, c.	.	...	..	...	...	...	...	44	27
Do. pref.	.	...	78¼	75	78¼	71	150	120	67
Mont. L H & P (no par)	$2	2.15	94¼	92½	93	93½	6765	96¾	68⅛
Montreal Teleg. (par $40)	8	5.20	..	...	...	...	...	52	49
Nor. Mexico Pr., c.	4	5.12	78	76	78	77	385	94	82½
Do. pref.	7	7.52	..	...	...	...	...	83	42
Ot. & Hull Pr., c. (no par)	.	...	..	...	...	...	...	30	26
Do. pref.	7	7.00	100	100	100	100	35	100	96
Ott. L. H. & Pr., c.	6	5.17	116	114	116	111½	42	116	98½
Do. pref.	6½	6.19	105	104	104	104	12	107½	102
Quebec Power (new)	.	...	78	76	76	77	6897	79	72
Quebec Power, c.	8	2.61	310	304	306	305	661	312	190
Shawinigan (no par)	$2	2.17	94¾	90½	90¾	92	30149	94¾	67
S. Can. Pr., c. (no par)	2	1.94	103	100	101½	101	215	103	85
Do. pref.	6	5.88	102	102	102	102	25	102½	99½
Shawinigan (Rts.)	.	...	4	3⅝	3⅝	...	1400	4	3⅝
Transportation—									
Can. Pacific Rights	.	...	4½	3	4	4⅛	10982	4⅞	3
Can. Pacific Rly.	10	5.40	187	184½	184½	185	77	194½	166
Can. Steam., c. (no par)	.	...	36	35	35	36	140	42	35
Do. pref.	6	6.63	92¼	90	90	92	1538	94¾	82½
Do. voting	.	...	31	31	31	31½	20	37½	31
Tractions—									
Barcelona (par $50)	1	...	..	...	...	...	...	67½	33½
Brazilian, c.	6	3.09	195⅛	188½	191	190	57950	195⅛	102½
Do. pref.	6	3.72	161½	161	161	160	415	161½	104
Detroit Un. Rly.	.	...	2½	2	2	2½	128	5	2
Duluth-Superior	$2	8.00	25	25	25	25	95	30⅝	25
Illinois Trac., pref.	6	6.09	..	...	...	...	...	98½	98½
Minneapolis S.S.	.	...	..	...	...	...	...	43½	42⅛
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.34	187	185	187	185	19	200	169
Ottawa Traction	4	6.06	..	...	...	...	...	70	64
Porto Rico Rlys., c.	$2	...	..	...	...	...	...	70⅜	59
Do. pref.	7	7.00	100	100	100	100	20	100	90
Twin City, c.	4	7.84	52	50	51	52	213	66	48⅜
Do. pref.	7	6.86	..	...	...	...	...	103	100
Winnipeg Elec., c.	2	2.56	80	78	80	79¾	1570	81	60¾
Do. pref.	7	6.54	107	106	107	106	270	107	100¾
Textiles—									
Can. Conn Cotton, pref.	4	8.74	45¾	45¾	45¾	45¾	10	50	36
Can. Converters	7	6.66	105	100	104¾	98	290	107½	92
Can. Cotton, com.	8	6.40	125	123	125	123	200	132	115
Do. pref.	6	6.00	100½	100	100	100½	25	100½	95
Can. Woollens, com.	.	...	..	...	...	...	...	100½	95
Do. pref.	.	...	69	69	69	60	94	69	59¾
Cosmos Imp., c. (no par)	.	...	29¼	28	28¾	29¼	1850	31½	13
Do. pref.	7	6.93	101	100	101	101	175	101	91¼
Dom. Textile, c. (no par)	$5	3.90	131	121¾	128½	120½	15076	131	105
Do. pref.	7	5.73	..	...	...	...	...	123	117
Monarch Knit, c.	.	...	--	...	...	...	...	7½	7½
Do. pref.	.	...	..	...	...	...	...	54	49
Montreal Cottons, c.	6	5.26	..	...	...	...	...	117	110
Do. pref.	7	5.93	118	118	118	118	9	118	114
Penmans, c. (no par)	$4	5.06	79⅞	78	79⅞	78¼	920	79⅞	70
Do. pref.	6	5.76	..	...	...	...	...	105	101
Wabasso Cotton (no par)	6	4.68	129	118½	129	120	1374	129	84
General Industrials—									
Amer. Sales, c. (par $20)	4	6.10	68	65	66	66	453	75	60
Do. pref.	7	6.79	103	101	103	101½	100	103	97½
Asbestos Co., c. (no par)	.	...	30	29½	29¾	30	2201	31¼	20
Do. pref.	7	7.44	94	93	93½	93	912	95½	82¾
Brant. Cd., pf. (par $25)	8	9.09	22	21	22	21½	604	25	20¾
Brewers & Distil. (par $5)	5	...	9½	8	9½	7½	900	7½	4½
Building Products, pref.	7	7.00	100	100	100	100	15	100	93½
Burt, F. N., c. (par $25)	$3	4.68	65½	63	65½	63	3383	66	56½
Canada Cement, c.	6	2.44	245	191	243	192	23673	245	124½
Do. pref.	7	5.64	124	120½	124	122	145	124	116
C. Ind. Alc. (no par)	$1.28	3.45	38½	37	38¼	37¾	24454	38½	21¼
Can. Oil, c. (no par)	$1	4.50	24	24	24	24¼	50	24⅞	21
Do. pref.	8	6.75	118½	118	118½	118¼	25	121	115½
Can. Bronze, c. (no par)	.	...	50	47¾	50	48	2180	50¼	43
Do. pref.	7	6.86	102	101	102	101	190	102	98½
Crow's Nest Coal	6	10.90	55	55	55	54	55	71¼	50
Dom. Glass, c.	7	5.19	134¾	128	133¼	127½	11034	134¾	104
Do. pref.	7	6.11	115	115	115	114½	25	115	111¼
Dom. Rubber, pref.	7	9.33	..	...	...	...	...	30	24
E. Theat., c. (par $25)	.	...	..	...	...	...	...	30	24
Do. pref.	7	7.60	..	...	...	...	...	97	92
Famous Players, com.	.	...	33	32	33	30½	15	33	20
Do. pref.	8	8.24	97¼	96	97¼	97¼	225	101	93½
Gilman, com.	6	5.46	..	...	...	...	...	112	109⅞
Do. pref.	7	6.08	..	...	...	...	...	125	110
Goodyear Tire, com.	.	...	92	85⅛	92	...	960	92	85⅛
Do. pref.	7	6.86	103¼	102½	102¾	104½	627	109	94½
Hayes Wheel, c. (no par)	.	...	32½	30	32½	30¼	718	34⅛	27¾
Do. pref.	7	7.21	..	...	...	...	...	98	91
Holt, Renfrew, c.	.	...	..	...	...	...	...	45	43
Do. pref.	7	7.60	..	...	...	...	...	92	85
Hunt's, Ltd., c. (no par)	.	...	27	27	27	29¼	10	29½	20
Do. pref.	7	7.44	94	94	94	98	5	95	90
Inter. Nickel, c. par $25	$2	2.85	70	64	70	65⅛	68723	75	38
King Edward Hotel	$1	...	41½	39	41½	38	165	60	20
Lake Ont. Brew. (no par)	$2	7.14	28½	27	27⅛	27	485	31½	24
L. Secord, c. (no par)	.	...	47	40	46	40	2250	45	26
Do. pref.	7	5.18	137	130	137	124	549	135	102
Lyall Construction	.	...	41	32	40	30	401	45⅜	32
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	7.00	105	105	105	100	10	105	96½
Muirheads, c. (no par)	50c	...	13	11½	13	13½	1587	13½	8⅞
Do. pre. (par $10)	75c	...	13	12¾	12¾	13	670	13½	10⅞
Nat. Brew., c. (no par)	4	5.03	82⅞	78	82⅞	79½	8022	82⅞	65
Do. pref.	7	6.36	110	108	110	110	755	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	12.50	..	...	...	...	...	81	56
Pacific Burt, com.	6	6.09	100	98	98½	97¼	76	100	87
Do. pref.	7	6.19	113	113	113	112	2	113	102
Port Hope San., com.	4	2.42	..	...	...	...	...	165	125
Do. pref.	7	6.54	..	...	...	...	...	108	90
Rogers, Wm., com.	.	...	..	...	...	...	...	80	64
Do. pref.	7	6.86	..	...	...	...	...	102	92
Seagram (no par)	.	...	25	21	22	21¼	17543	28⅞	15
Sher-Williams, com.	6	3.20	193	175	193	175	330	193	142
Do. pref.	7	5.83	120	120	120	119	5	120½	117
Standard Chem., pref.	.	...	..	...	...	...	...	20	15
Stanfords, c. (no par)	.	...	20⅞	19½	20⅞	20	494	20⅞	19
Do. pref.	7	7.60	92	90	92	89½	18	92	88½
Sterling Coal	.	...	25½	24½	24½	25½	285	36	24½
St. Maur. Val. Corp., com.	.	...	55	53	53	58	520	58	47
Do. pref.	7	7.21	97½	96½	97	97½	850	98	94½
Tooke Bros., com.	.	...	12	12	12	12	25	16	10
Do. pref.	7	9.85	72	71	71	72	25	72½	65
Tuckett Tobacco, com.	4	5.00	..	...	...	...	...	80	69
Do. pref.	7	6.36	111	110	110	110	90	111	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	9.09	..	...	...	...	...	89	76
Trust and Loan—									
Can. Landed (par $50)	10+1	4.66	118	118	118	115	50	118	94
Can. Permanent	12	5.15	233	233	233	233	44	235	216⅛
Colonial Invest. (par $10)	6	...	..	...	...	...	...	7	5
Econom. Invest. (par $50)	2	...	56	54	56	53	162	56	53
Huron & Erie	7+½	5.03	149	149	149	150	72	152⅛	139
Landed Banking	10	5.81	..	...	...	...	...	52¾	47
Mont. Loan (par $50)	12+1	6.91	..	...	...	...	...	172	161
National Trust	12	4.78	..	...	...	...	...	255	232
Ont. Loan (par $50)	12	5.00	120	120	120	117	50	120	111
Real Estate Loan	7	6.88	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.85	247	247	247	248	1	248	220
Toronto Mtge. (par $50)	10+1	5.27	..	...	...	...	...	107½	100
Union Trust	7	6.16	..	...	...	...	...	113½	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	7.12	..	...	...	...	...	98⅜	98
Attendu Eng. (par $1)	.	...	15½	15	15	15½	330	35½	14
Beacon Oil	.	...	15½	14½	14½	15½	695	20¾	14½
Belding, com.	6	8.00	75	75	75	73	15	88	67
Do. pref.	7	7.23	..	...	...	...	...	100	96¾
Brading Brew. (no par)	$2	...	25	25	25	27	25	35½	20
Brit. Amer. Oil (no par)	80c	2.66	30¼	27¼	30	27¼	64551	30¼	20
Can. Malting	.	...	34¼	26¾	31	29¼	26082	34¼	27¾
Can. Brewing (no par)	.	...	25	24	24	25½	385	30½	23
Can. Celanese (no par)	.	...	85	80	80	81	750	85½	52¾
Do. pref.	.	...	93½	92	92	93½	65	94	88
Can. Light & Power	.	...	44½	43	44½	44½	32	55	20
Can. Nor. Pr., c. (no par)	.	...	..	...	...	...	...	55½	42
Do. pref.	7	7.21	97	97	97	98	5	100	97
Carling Brew. (no par)	$2	7.69	27¼	25	25½	27	1190	29½	25
Cockshutt, pref.	4	5.00	82	80	80	82	325	82	67
Continental Oil	$1	...	19	19	19	18	25	22¼	16½
Cosgrave Brew. (par $10)	5	4.87	10½	8	10⅛	8	9200	12	6
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	...	54½	54½	54½	54	3	54½	50½
Com. Alcohol (no par)	.	...	..	...	...	...	...	70	15
Cuneo Press	.	...	..	...	...	...	...	58⅞	58
Com. Alcohol (pref)	.	...	105	105	105	110	15	110	105
Dom. Engineering	8	4.18	191	188	191	190	19	191	135
Dom. Power, pref.	7	6.98	..	...	...	...	...	101	100¾
Dryden Power (no par)	.	...	12	12	12	13	75	15½	9½
E. Dairies, c. (no par)	.	...	45½	45	43½	45	460	46	20½
Do. pref.	7	7.21	97	97	97	97	10	98½	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	18½	15½
Do. pref.	.	...	72½	72½	72½	87	200	95	72½
Foothills Oil	.	...	2.98	2.75	2.75	3.00	4500	3.25	2.00
Good. & Worts (no par)	$1	2.08	51	46	49½	47	3295	64	43¼
Chas. Gurd, com.	50c	...	41	40	40	42	575	43	28⅞
Do. pref.	7	7.25	96½	96½	96½	97	30	97	93
Hiram Walker (no par)	$2	3.63	55⅝	50	52½	50¼	26943	57¼	28½
Illinois Power, pref.	7	7.00	100	100	100	100¼	30	101	98
Imperial Oil (no par)	$1+50	2.77	54¾	53	54⅝	54⅛	11858	55¼	37¾
Imp. Tob., c. (par $5)	9	3.33	9¼	8⅞	9	9	1845	10	6¾
Inter. Petrol. (no par)	75c	2.41	32	30¾	31	31¾	1445	35¼	28
Inter. Power, com.	.	...	29	26⅞	28½	28½	2081	29	14½
Do. pref.	.	...	90	90	90	90	7	90½	85
Loew's London, com.	25+50	...	..	...	...	...	...	5¾	4¼
Manitoba Power (no par)	.	...	68½	67	68	67	945	68½	50
McColl, com. (no par)	80c	1.77	48	43¾	48	44½	4346	48	22½
Mitchell, J. S.	.	...	..	...	...	...	...	32	28
Mount Royal, com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	..	...	...	...	...	55¾	40
Perfection Glass	.	...	..	...	...	...	...	8	6
North. Bak. (no par)	.	...	34¾	31	29	33¾	34145	36¾	25
N. Star Oil, c. (par $5)	.	...	1.50	1.50	1.50	1.50	675	2.55	1.15
Do. pref. (par $5)	7	...	4.90	4.90	4.90	4.90	5	5.01	4.90
N.S. Car, com. (no par)	.	...	22	22	22	23½	100	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	6.86	51	51	51	49	500	51	47
Ott. Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg., c. (no par)	.	...	..	...	...	...	...	60	25
Do. pref.	.	...	..	...	...	...	...	100	95
Port Alfred, com.	..	...	60	60	60	60	65	61	55
Port Alfred, pref.	7	7.23	96¾	96¾	96¾	96½	30	97½	95
Power Corp., c. (no par)	.	...	55	52¾	55	53⅞	6045	58½	27¼
Do. pref.	6	6.17	97¼	97¼	97¼	97	65	97½	94
St. Maur. Power	4	...	170	145¾	160	147	1718	170	96
Simpson, Robt., pref.	6	5.88	..	...	...	...	...	102	100
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	58	57	57	58	462	63	35
Do. pref.	8	7.33	110	109	109	106¼	8	110	104
Standard Clay	.	...	..	...	...	...	...	40	38
Toronto Brew. (no par)	.	...	10½	9⅞	10½	10	427	13⅛	9⅞
United Secs., com.	.	...	62	60	60	60	100	70½	43½
Do. pref.	6	5.74	105	104½	105	105	10	105¼	103¼
Volcanic Oil	5	...	26½	26½	26½	26	50	47¼	23
Venezuelan Pete. (par $5)	.	...	..	...	...	...	....	7½	6
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen (no par)	.	...	.	...	...	...	...	19	18
Zimmer knit (no par)	.	...	24	22	23	21	1473	23	18
Do. pref.	7	7.82	90	89½	90	90	210	91¼	89½

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Jones Bros. of Canada, Limited; 6½%; maturing Nov. 15, 1946; price, 100 and interest; yielding 6.50%.

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Pulp & Paper

Outlook for Newsprint is Brighter With August Production Up Slightly

One of Canada's Basic Industries Need Not Worry the Investor Who Looks for Return Over Period of Several Years

From Our Own Correspondent.

MONTREAL.—The newsprint production figures for the month of August indicate that the situation surrounding the Canadian newsprint mills may be altered materially for the better during the next few months. The Canadian production increased from 162,564 tons in July to 180,175 tons in August. In addition, there was a slight decrease in the amount of newsprint on hand at the mills, and the plants operated at 81.6 per cent. capacity, as compared with 80.5 per cent. capacity in the preceding month.

While the figures themselves indicate no material improvement in the situation, yet the two summer months are always a dull period in the industry and the demand is usually light. The demand steadily strengthens, as a rule, during the autumn months, and culminates, of course, with the increased advertising of the Christmas season. If the Canadian mills can operate at over 80 per cent. capacity during the two quietest months of the year, it is a reasonable assumption that increased operations should obtain throughout the remainder of 1927.

U.S. Production Up.

It is not so satisfactory to see that the output of the U.S. mills jumped from 118,929 tons in July to 127,129 tons in August, and that the mills across the border operated at 82.1 per cent. However, the mill stocks on hand in the U.S. mills increased by about 10 per cent. at the end of August, as compared with the close of July, and the increase in the U.S. production was not so proportional to the Canadian increase.

While the schedule of new plants or additions to existing plants indicates that there will be 650 tons daily added to the capacities of the Canadian mills by the end of the year, these additions to the productive capacity of the plants may not be completed on schedule, and, the process of tuning up the machines will require several months, so that it will not be until well on in 1928 that these additions will make themselves felt in the newsprint market. By that time, the spotty business conditions now prevailing may be improved, and as paper consumption this year in the States is practically at the same level as in 1926, an increased demand can reasonably be anticipated.

The investor in the newsprint industry should not forget that the pulp and paper industry is one of the premier industries of Canada and that its importance is not likely to wane. On the contrary, it is almost certain to increase in importance except in the remote possibility that science discovers a cheaper method of manufacturing paper.

Any increase which may be noted from month to month in the production in United States mills must be construed as only a temporary condition. Production in the United States certainly will decline.

U.S. Production to Decline

Production in the United States will decline because the sources of raw materials for the manufacture of paper are becoming exhausted. Mills are farther and farther from timber limits. Costs are higher in the United States than in Canada. The trend of the times is to close United States mills and transfer activities to Canada. The International Paper Co. is pursuing this policy.

The immediate outlook for the preferred and common stocks of pulp and paper companies may not be entirely satisfactory. The speculator who looks for an immediate profit in his transactions on the stock exchanges is likely, with reason, to turn to other securities at the moment.

But the investor who is not buying securities for a market turn, but wishes to participate in the development of a basic industry, hardly can do better than purchase the securities of the larger newsprint companies. Over five, or ten, or twenty years the stock are virtually certain to do very well. The bonds of these companies, by the same token, are as sound industrial bonds as can be procured, in most instances. In some instances, the bonds of newsprint companies can fairly be compared to the bonds of utilities, for paper developments are inevitably bound up with power developments.

Under Normal Capacity

The figures show that the mills in Canada are operating at present about 18 per cent. under rated capacity. But as rated capacity is seldom achieved, the comparison of the actual capacity, should be with the normal capacity. This over a term of years, has been in the neighborhood of 92 per cent. of rated capacity.

Thus the newsprint industry at present is lagging about 10 per cent. behind normal production.

In some cases this 10 per cent. is the difference between a profit and loss. It has been shown in the two or three annual reports published recently, that profits, while still existent, are not so great as in the previous year. The question which concerns the purchaser of stocks is whether this lagging will continue for some time, or will be eliminated before many months.

To Conserve Profits

There are several reasons for believing that the overproduction will have disappeared before very long. There is a normal increase in consumption which averages about 8 per cent. annually. This normal increase has not been apparent this year, but it is reasonable to suppose that, unless an unexpected business depression appears in the United States, the consumption for the year will not show an actual decrease. With Christmas advertising to be provided for, the last three months of the year are the best.

There is a tendency to curtail the further expansion of the industry. The Quebec government has announced that it will lease no additional timber limits to new companies to the detriment of existing companies. The Ontario government has made no formal announcement in this respect, but it is understood that applications for timber limits are being scanned closely to determine that there is no needless exploitation of public resources.

There is now in operation a centralized selling organization of the leading newsprint producers (excepting International Paper Co.) This organization is adjusting production to consumption and will be a factor in maintaining prices consistent with costs.

BATHURST TO PROCEED

MONTREAL.—That the Bathurst Company has not abandoned the idea of extending the field of the company's operations by the erection of a new 200-ton newsprint mill, is revealed in the proceedings of a recent meeting of the town council of Bathurst, N. B. Angus MacLean, the president of the company, asked the council for a fixed assessment to be placed on the new pulp and paper mills.

Quebec Sells Timber

MONTREAL. — The Quebec Government will offer for sale blocks of timber limits located on the north shore of the St. Lawrence and in the Abitibi region early in October.

Complete 25 Years With Laurentide

From Our Own Correspondent

MONTREAL.—Marking as it did the twenty-fifth anniversary of his administration of the Laurentide Company, a vote of appreciation was extended to the shareholders of the company at the George Chahoon, Jr., the president, by annual meeting.

It was pointed out that the period of Mr. Chahoon's incumbency had been a most happy one for the company. Under his management the affairs of the company have steadily prospered, Laurentide being one of the few companies engaged in the pulp and paper industry which passed through the depressing period of 1920-21 with no decrease in its dividend payments. Grand'mere, the seat of the industry, has grown from a small country hamlet to a model town which stands as a monument to Mr. Chahoon's far-seeing vision and community spirit.

At the meeting a shareholder inquired as to whether there was any likelihood of a cut in the newsprint contract price below the current rate of $65 per ton. In reply, Mr. Chahoon stated the question of renewal of contracts does not come up for revision till November, and that in the meantime the company has had no discussion as to prices.

Mr. Chahoon referred to the purchase during the year of the Menjoubagues Lumber Company and the Perthuis Seigniory, declaring that the company has thereby acquired considerable timber resources close to the mill, which will make the timber easy to harvest. Mr. Chahoon considered these acquisitions as a very valuable asset to the company.

Exports of Kraft Decline But Fine Paper Larger

From Our Own Correspondent.

MONTREAL.—Exports of pulp and paper for the month of August showed a satisfactory increase as compared with July. Reflecting the hesitancy which prevails in the U. S. industry, pulpwood exports during the month were slightly lower.

Exports of sulphate pulp for the past twelve months are marginally higher than during the corresponding period of a year ago. Unbleached sulphite pulp exports for the past year have naturally declined, due to the increased consumption of the domestic newsprint mills, but the increased exports of bleached sulphite compensate for the decrease in foreign sales of the unbleached variety.

The decided increase in the exports of book paper which made its appearance in the earlier export figures of this year is being maintained and indicates that domestic producers of high-grade paper are finding wider and wider foreign markets.

While exports of wrapping paper showed a satisfactory improvement in the month of August, yet there has been a not insubstantial decline in the amount of Canadian kraft paper sold in foreign markets this year.

International Paper Co. Gets Newfoundland Plant

From Our Own Correspondent.

MONTREAL.—Before the Newfoundland legislature prorogued, the International Paper Company was successful in obtaining legislation which allowed transfer of the Newfoundland Paper Company from the Armstrong-Whitworth interests to the big U. S. paper producers. The International Paper is to exercise its option on the plants.

In the sale, the International Paper has the right of issuing a further £3,000,000 in first mortgage bonds ranking senior to the present issues, and has the right to export, with a royalty of a dollar a cord, a stated amount of pulpwood annually. The International Paper also acquires the Gander Valley Paper Mill project. The new owners must erect a 200 ton paper mill by 1933 on the property. By 1933 also, the present capacity of the Newfoundland Power and Paper Company's plant must be increased from 400 to 600 tons of newsprint daily.

ST. MAURICE VALLEY PROFITS MAINTAINED

Six Months' Figures Show Newsprint Hesitancy Affects Corporation But Little

From Our Own Correspondent.

MONTREAL. — The earnings statement of the St. Maurice Valley Corporation for the first six months of this year reveals clearly that despite the hesitancy in the newsprint market, newsprint companies have been able to make satisfactory profits at the lower scale of operations which has prevailed from early in the year.

Earnings of the corporation applicable to fixed charges, depletion and depreciation, amounted to $1,576,561, for the first six months of the year. Figured on a yearly basis, this means that the company's earnings are running at the rate of about $3,153,122. This figure compares with $3,468,022, which the corporation showed applicable to bond interest, depreciation and depletion for the full 1926 year. The figures were published following the sale of $2,000,000 Series B bonds by the Corporation.

The decline in the earnings is probably a little larger than it appears from these figures, for the 1926 annual report covered a period of thirteen months operations, and then again, the St. Maurice Valley Corporation added considerably to its assets by acquiring all the common stock of the Canada Paper Company towards the close of its last fiscal year. The acquisition of the Canada Paper Company has naturally in the meantime tended to strengthen the earning power position of the corporation. These two factors indicate that the decline in earnings is perhaps a little larger than is apparent from these figures.

However, in 1926 the corporation earned $8.61 a share on its common stock, and with an anticipated revival in the demand for newsprint during the autumn months, there seems every reason to believe that earnings this year will be but little below those of 1926.

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The new Wabasso Silks are attractive fabrics made from finest Combed Yarns and Celanese. They are as pretty as the Rainbow.
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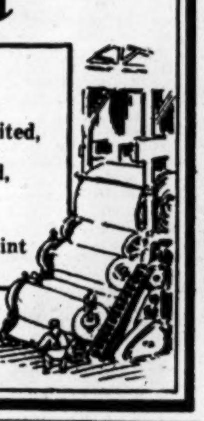
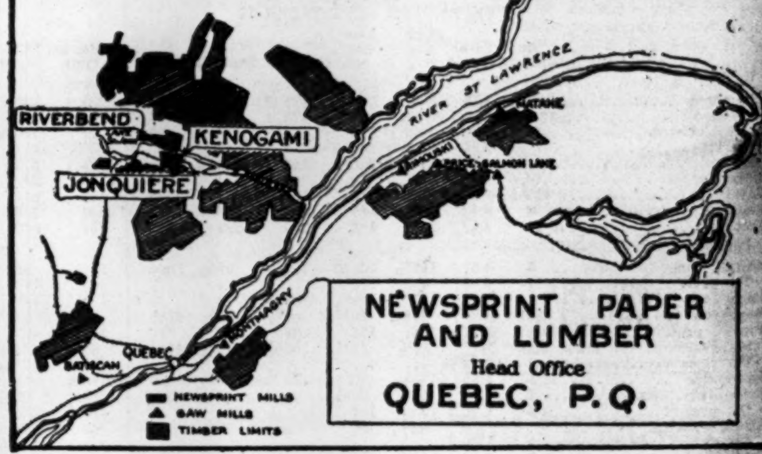
St. Maurice Valley Corporation


Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited,
Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC

PRICE BROTHERS & COMPANY LIMITED


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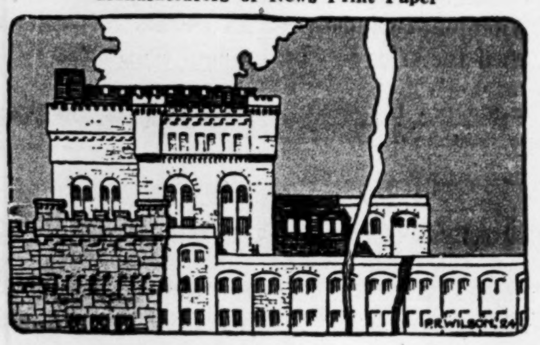
Head Office
QUEBEC, P.Q.

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper

Production—720 tons daily.
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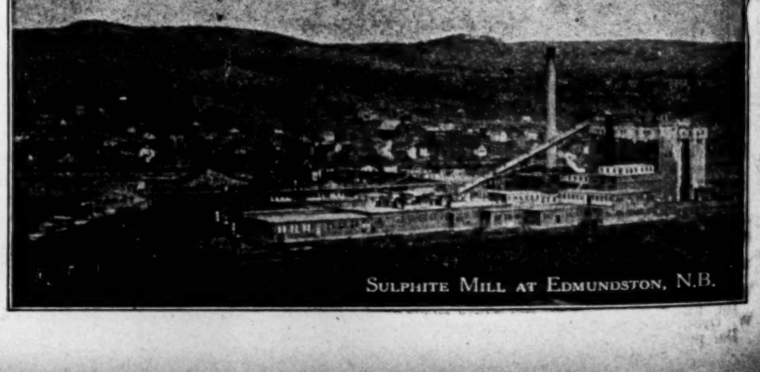
NEWSPRINT
IROQUOIS FALLS, ONT.

FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.
Lumber :-: Bleached Sulphite Pulp :-: Fine Papers

SULPHITE MILL AT EDMUNDSTON, N.B.

FAKE FINANCIAL PAPERS ENDANGER PEOPLE'S SAVINGS

Tipster Sheets and Mystery Stocks New Crooked Devices

An unfortunate development in Canadian finance recently has been the wide-spread distribution of "tipster sheets"—specialized publications used by "bucket shop" operators or pretended brokers to attract the savings of individuals who have not yet learned that it is wise to investigate before they invest.

The National Better Business Bureau estimates that these "tipster sheets" number over thirty. They are to be found in many parts of the United States and Canada. Some are part of the paraphernalia of illegitimate market operations. Others feature independent promotions. Still others profess to give expert counsel in the oil or mining fields, the latter being currently attractive to the dishonest promoter. The Canadian "tipster sheets" promote questionable Canadian stocks among American investors. Some of them are issued in Canada to avoid trouble with the U.S. postal authorities. The National Better Business Bureau, in meeting this international situation, has enlisted the aid of Dominion officials and public-spirited newspaper editors.

Go Under First Class Stamp

"Tipster sheets" are frequently mailed under first class postage. The circulation varies, but from such figures as are obtainable it is estimated that the total approximates the number of holders of legitimate securities—or 15,000,000 people.

The swindler is a careful student of human nature and a keen analyst of his market. He knows that frequently the easiest way to separate an individual from his savings or his sound securities is to suggest greater gain. In one phrase or another the theme of every fake financial publication is "Easy Money" or "Get Rich Quick."

The swindler goes straight to the most promising prospects. By legitimate or illegitimate means he obtains the names and addresses of stockholders in conservative business enterprises and circularizes these people. If a prospect should indicate the slightest curiosity, this interest is adroitly nourished and cultivated by telegrams, long distance telephone messages (they are frequently made from coast to coast), or by personal calls from salesmen.

Imitating Honest Practices

Fraudulent publications are divided into general classes. One imitates the market letter of the reputable broker or investment banker. It is printed in dignified type upon excellent paper. It is restrained in editorial style. It pretends to deprecate radicalism and by inference and skillfully turned phrase it seeks to give the impression that the house from which it emanates has character and prestige. In the discussion of general securities there may be little to note that is open to criticism. But the joker is there. Several pages, for instance, may be devoted to a discussion of standard coppers. Sandwiched in between these articles is the story of a fake mining scheme. The manner of treatment is identical. So alike are the comments that it is difficult for the uninformed to identify the good from the bad.

"Holier Than Thou" Attitude

A second general type of fraudulent publication is that which crusades. This is the more mischievous, for it fans the uninformed mind with the breath of prejudice against honest business, big or little. This type, which resembles a newspaper or periodical in appearance, professes to give constructive truthful criticism, or "Truth, that divine eternal life by which one creature may see and know another—for better or for worse." The promoter, of course, desires to have the innocent investor see the swindle for better and the legitimate business for worse.

Both types of publication specialize in "advice" to correspondents. Pages are devoted to reprinting purported letters. The tenor sometimes conveys the impression of the writer's confidence in a standard security but more frequently it raises a suspicion in the reader's mind as to whether this same standard security is really safe. The editor (or in other words, the swindler) utilizes his answer to this inquiry as an excuse for an alleged analysis of the stock in question, thereby making comparison with the stock he is touting in such a way as to leave upon the reader's mind the impression that the legitimate business is dangerous and the swindle stock secure.

"Mystery Stocks" Now Old Stuff

One method followed by the swindler who uses the printed word is to boom a so-called mysterious stock. Several issues are devoted to tantalizing references, each one growing bolder and bolder about this "rich proposition" which in due time will be revealed. The presentation is clever and is doubly damaging because it is coupled with criticism, placed in the mouths of correspondents themselves, of standard investments—not infrequently those in which the innocent recipient of this "tipster sheet" has some of his money invested. The sad result, in cases where the facts are not known, frequently is the breaking down of the reader's confidence in legitimate business, the weakening of his resistance to the swindler's arguments and, finally his ruin.

Investors, be on your guard. Before you invest—investigate.

Ice Cream for the Tropics

As a latest development of the Canada-West Indies Treaty, ice cream is now being shipped from Halifax to British Guiana in liquid form and re-frozen at its destination. On the other hand, ice cream shipped to Bermuda is shipped in blocks and kept solid throughout the journey.

Table Tells Story of Experiment of Small Investors' Pooling Savings

		Bought	Net cost	Recent mkt.	Gain
20	Alta. Pac. Grain	29½	$ 596	34	$ 90.00
5	Belding Corti.	70	351.50	75	25.00
6	Braz. Tract. pfd.	123	724.80	161	228.00
5	Can. Fair.-Morse pfd.	95⅛	477.12	100⅛	25.00
100	Cen. Mani. Mines	1.97	199	1.90	*7.00
5	Cosmos Impe. pfd.	96	481.50	100	20.00
10	Duluth Sup. Tract.	30	303	25	*12.50
5	Famous Players pfd.	96½	484	96½	unch.
10	Goodyear Tire	72½	725	86½	140.00
5	Hollinger	21	106	18.50	*12.50
20	Hollinger	18.80	379	18.50	*6.00
20	Inter. Nickel	58⅛	1,164.50	68	198.00
5	Lake Shore Mines	19.40	98	24.70	26.50
20	Lake Shore Mines	20.69	417.80	24.70	80.20
5	Laura Secord pfd.	110	551.50	124⅛	70.65
100	Mond Nickel	11.29	1,129	12.75	146.00
5	Montreal Power	85¼	427.75	93	38.75
5	McIntyre	26	131	27.00	5.00
5	Pacific Burt	97	486.50	98	5.00
5	Page Hersey	72	361.50	78	30.00
5	Shawinigan	85	426.50	93	40.00
25	Teck-Hughes	7.05	178.12	9.29	55.75
5	Teck Hughes	9.20	47.00	9.29	.45
10	Wright-Harg.	5.55	56.25	7.55	20.00
20	Wright-Harg.	6.48	131.10	7.55	21.40
430	shares				$1,190.20
	Add Reserve				411.44
	Appreciation of Capital				1,601.64

Percent. of appreciation: 36 per cent.
* Loss

Alley Investment Syndicate Progresses Joyously on Top of Buoyant Canadian Market

Paper Profits on Recent Day Showed 36 Per Cent. Rise in Less Than Five Months of Operation — Cash Reserve Grows

The Alley Investment Syndicate, which has been in operation since May 2d, shows a book profit of 36 per cent., adding net gains in market prices of stocks held and net profits on stocks sold.

Twenty-one stocks are held. Seventeen have a greater market value than when they were bought. Three are held at a loss and one is unchanged. Eighteen are paying dividends.

One Member Quits

The Alley Investment Syndicate was organized in April by 23 Toronto persons. The original investment was $2,500, and monthly payments are made to the total of 25 per cent. of the original investment. Thus the paid in capital at the moment should be $5,000. However, one member found it expedient to withdraw, so that the paid-in capital now amounts to $4,700. It was provided in the original agreement that any members who withdraw before December 1st would be entitled to only 4 per cent. interest. Those who withdraw at December 1st will share in the book profits of the syndicate as at the end of November.

The total cost of the stocks held by the syndicate is $10,178, so that, at the moment, loans are slightly in excess of the amount paid in. At the beginning it was declared to be desirable not to carry any stock on a higher margin than 50 per cent. However, increases in value render the loans nothing to worry about.

It was the intention to buy stocks outright and to make whatever loans were necessary through a bank, thereby saving about 1 per cent. in interest. This policy has been generally followed, except that the managers of the syndicate, getting no pay and having other jobs, have found it more convenient to carry certain stock at the brokers', rather than to adjust loans at banks and make deliveries of collateral, etc.

Dividends Total $500

A number of the stocks were bought for dividend purposes, it not being considered desirable to meet bank interest and other expenses out of capital. At the moment the income from dividends is at the rate of $504. the year. The income account is:

Income from dividends		$504.00
Int. on 1,649.09 owing brokers, 7 per cent.	$115.44	
Int. on $3,100 owing bank at 6 per cent.	186.00	
Int. on $729 brokers' loan carried in London, Eng., re Mond Nickel (at approx. 5 per cent.	36.45	
Total interest	$337.89	
Safe dep. box	5.00	
Petty cash	10.00	
Total expenses		$352.89
Net income		$151.11
Per cent. income on syndicate capital		3.21

Of course, this income account for the year is based on the experience of the first four and half months, and has been constructed merely to determine what is the rate of income from the investment so far. In conformity with the best principles of investment trusts, it is not the intention to use profits from the sale of securities as income to be distributed. These profits belong in the reserve account to take care of losses on the sale of securities. Surpluses would be invested and ultimately would give a return which would enhance the return to the members.

Reserve Grows

Here is the reserve, or trading account, of the Alley syndicate:

Re sale of Nor. Bakeries	$387.30	
Do., Inter. Nickel	55.32	
	$442.62	
Deduct loss McKinnon Ind.	31.18	
At credit reserves account		$411.44

It may be pointed out that the calculation of profits which is shown in the accompanying table is based on prices prevailing at the close of the market on a day picked at random. It will be observed that the market is strong. A similar calculation in a weak market would show a totally different state of affairs. Instead of the investment being highly satisfactory, in such circumstances there might be dissatisfaction with the experiment.

Dividends Pay Costs

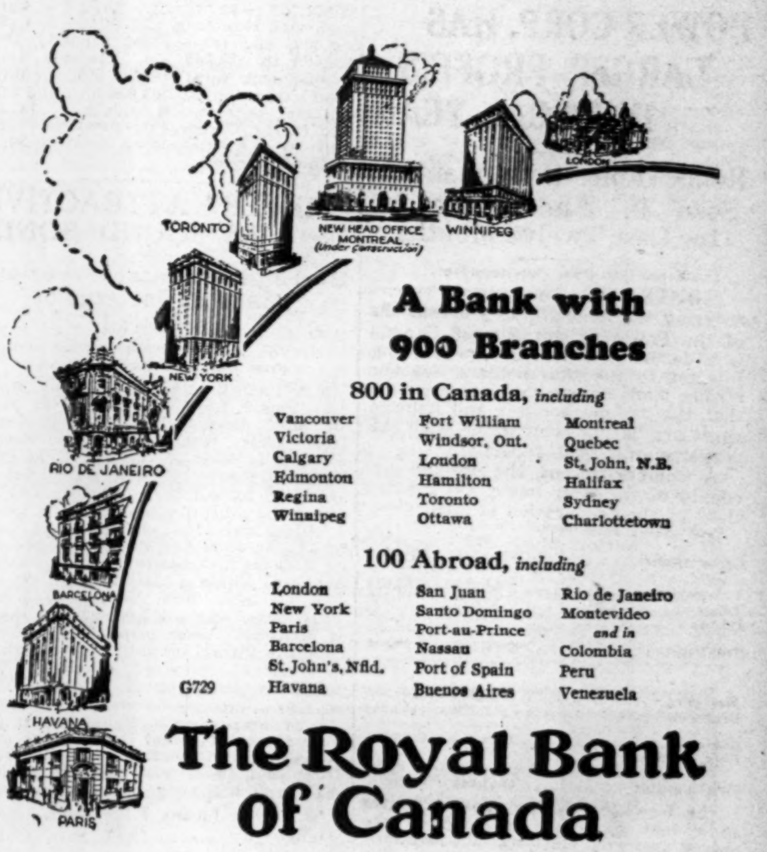
It will be observed that, in the calculation of book profits, there is no reserve set up for operating expenses. Income from dividend paying stocks should take care of all operating expenses, including all bank interest.

The syndicate's dividend payers and amounts are:

Belding Corti. (5 shares, $100, 6%)	$30.00
Braz. Trac. pfd. (6 shares, $100, 6%)	36.00
Can. Fr. Morse pfd. (5 shs., $100, 6%)	30.00
Cosmos Imp. pfd. (5 shs., $100, 7%)	35.00
Duluth Superior com. (10 shs.)	40.00
Fam. Players pfd. (5 shs., $100, 8%)	40.00
Hollinger (25 shs., 10c.)	32.50
Inter. Nickel (20 shs., $2)	40.00
Lake Shore	12.50
Laura Secord pfd. (5 shs., $100, 7%)	35.00
Mond Nickel (100 shs., $1 share)	100.00
Montreal Power (5 shs.)	10.00
McIntyre (5 shs.)	5.00
Pacific Burt (5 shs.)	30.00
Page Hersey (5 shs.)	15.00
Shawinigan (5 shs.)	10.00
Teck Hughes (30 shares)	3.00
Wright Hargreaves (30 shares)	6.00
Total	$504.00

Large Timber Deal

The largest transfer of milling property and timber lands known in the Fredericton section of N. B. was completed recently when the mill of Alfred West at Cole's Island on the Washademoak River and extensive holdings of land on Canaan River were sold to another lumber business, the name of which is not disclosed by C. Atkinson, M.L.A., of Fredericton, who was instrumental in arranging the deal.



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Hull's location is central to Canada's most concentrated markets.

Transportation requirements are excellent, including both the Canadian National and the Canadian Pacific Railways; river and canal boat shipments; paved trunk roads for motor truck shipments.

Factory sites are spacious and many of them right on the railway. The municipal tax rate is low and a fixed assessment for ten years can be arranged.

THE attractions of Hull from an industrial viewpoint include the very important feature that it is a city of homes.

More and more is modern industry recognizing that congenial living conditions are a paramount essential affecting both the quantity and quality of work done in the factory, or mill and, also, having an important bearing on freedom from labour disturbances.

In Hull more than 80 per cent. of its over 36,000 population are of the labouring class, and 75 per cent. of these workers own their own homes. This means stability—workers you can depend on. Hull has been without a strike for over 30 years.

Practically all the workers live within 15 minutes walk of their work, enabling them to get home at noon. This means contented workers. In addition, Hull is well served by street railways.

Hull is uniformly well laid out, and the main thoroughfares are paved for the accommodation of motor and truck traffic.

The fire and police departments are efficiently operated, giving the citizens adequate protection.

Educational facilities are excellent. The Catholic and Protestant schools are splendidly equipped, and the Hull Technical School offers a fine opportunity to those who want training in technical craftsmanship.

For information write H. Boulay, City Clerk, Hull, P.Q.

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Key City of a Great Hydro-Power and Industrial District

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Public Utilities

POWER CORP. HAS LARGER PROFITS IN FISCAL YEAR

Remarkable Betterment is Seen in Annual Report for Last Twelve Months

From Our Own Correspondent.

MONTREAL.—The annual report covering the second year's operations of the Power Corporation of Canada is a document which is of exceeding interest to the shareholders, for the strides made during the year are such that the income account and balance sheet are hardly comparable with the corporation's 1926 report.

A comparison of the income accounts of the first two years' operations of the corporation follow:

Year ending June 30—	1927	1926
Gross revenue	$796,635	$324,477
Less expenses	$ 68,299	$ 52,611
Taxes	18,872	17,348
Interest	48,012	8,132
Total ded.	$135,183	$ 78,091
Net earn.	$661,452	$246,386
Dividends	217,139	145,454
Balance	$444,313	$100,932
Prev. surplus	100,932	....
Total surplus	$545,245	$100,932

The foregoing income account figures show that while the dividend on the second preferred stock was not paid during the year, yet it was earned. The non-payment of these dividendsstrengthens the position of the corporation, but does not build up arrears of dividends which must come before the common stock, for the second preferred issue is non-cumulative.

Earns $2 on Common

The figures also show that just over $2 per share was earned on the common stock, after allowing for second preferred dividends. During the year the amount of first preferred stock outstanding was increased from $2,500,000 to $5,000,000. A full year's interest on the total first preferred stock was not paid because the new issue was not sold until well on into the fiscal year. Deducting the full 7 per cent. dividend on the full amount of $5,000,000, the amount remaining over for the common stock after allowing for second preferred dividends would have been about $1.30 per share.

Owing to the expansion of the corporation a comparison of the balance sheet with the 1926 exhibit is hardly possible. In the assets, the company holds securities other than those of subsidiary companies amounting to some $3,500,000. Common stocks of subsidiaries and affiliated companies are carried on the books at $5,832,397. Advances to subsidiaries are shown at $1,180,202.

Bank Loans Increased

In the liabilities, there are bank loans of $1,086,966—a figure which practically counterbalances the loans to the subsidiaries. The company's profit and loss account shows the substantial gain revealed in the foregoing income account figures.

In the report of the president, A. J. Nesbitt, some interesting details are given of the progress of the various companies in which the corporation is interested.

Aids Its Subsidiaries

Mr. Nesbitt concludes his report as follows: "Your company has continued to render valuable assistance to many of the operating companies in which it is interested and in many cases the value of these services is being shown in a very tangible manner. Your engineers department has supervised the design and construction of many extensions to plant and equipment which have been most satisfactory."

The report also contains a statement showing the combined and net earnings of the utility companies which Power Corporation controls or is substantially interested in which is indicative of the magnitude of its operations. Combined gross for the fiscal period ended 1927 was $14,681,610 compared with $12,974,984 for 1926, while net increased from $1,891,703 to $2,072,651. Total k.w. hours generated rose from 850,000,000 to 1,153,262,000, and total plant capacity from 400,000 to 436,600 h.p. Projects under development total 48,000 h.p., undeveloped sites comprise 263,000 h.p., and total ultimate capacity of plants is 747,600 h.p. Power Corporation owns 33.67 per cent. of the outstanding common stock of these utilities.

Public Utility Earnings

Jamaica Public Service

July—	1927	1926
Gross Earn.	$54,738	$53,607
Net Earn	20,032	21,301
Sur. after Cgs.	13,958	15,049
12 mos. end. July 31—	1927	1926
Gross Earn.	$675,324	$642,390
Net Earn.	275,487	245,204
Sur. after Cgs.	201,728	169,789

WINNIPEG ELECTRIC CO.

July	1926	1927
Total gross earn.	$422,903	$449,524
Working expenses	291,787	306,275
Net earnings	131,116	143,249
Aggr. gr. earn. from Jan. to end of July	3,187,327	3,461,624
Aggr. net earn. from Jan. 1 to end of July	1,131,034	1,233,438

SOUTHERN CANADA POWER CO.

August	1927	1926
Gross earnings	$132,143	$116,783
Operating expenses	49,573	40,209
Net earnings	82,570	76,574
Eleven months	1927	1926
Gross earnings	$1,385,560	$1,264,579
Oper. expenses	478,095	428,643
Net earnings	907,465	835,936

BRAZILIAN TRACTION

	1927	1926	Decrease
Gross earn.	$3,358,938	$3,476,995	$118,057
Oper. exp.	1,368,735	1,514,641	145,906
Net earn.	1,990,203	1,962,354	*27,849
Aggr. Gr. from Jan. 1.	25,126,010	26,034,604	908,594
Aggr. Net from Jan. 1.	14,585,255	14,891,080	305,825

* Decrease.

A summary of the earnings record for the past twelve months, together with comparisons, is as follows:

1926	Gross	Net	Net inc.
September	$3,412,431	$1,911,351	$397,063
October	3,200,476	1,782,954	97,211
November	3,001,416	1,659,151	105,113
December	2,953,964	1,456,192	*258,226
1927			
January	2,975,891	1,674,929	*117,359
February	2,876,575	1,614,573	*64,214
March	3,080,055	1,765,482	2,138
April	3,053,071	1,743,614	28,242
May	3,237,839	1,901,469	*49,208
June	3,197,650	1,910,223	*127,230
July	3,346,083	1,984,762	*6,044
August	3,358,938	1,990,203	27,849

* Decrease.

"POWER" ATTRACTIVE AS SOUND BONDS

Merits of Montreal Power and Bonds as Investment Compared

From Our Own Correspondent.

MONTREAL.—Shareholders of Montreal Power who are wholly, or in a measure, dependent on the revenues from their securities, often wonder whether in view of the low yield from Montreal Power stock it would not be advisable to sell their holdings and reinvest the proceeds in high-grade bonds.

Selling around 95, the shares of Montreal Light, Heat and Power Consolidated yield about 2.13 per cent. It is possible to-day to obtain a yield as high as, say, 6.13 per cent. from high-grade bonds. Thus, those who are holding the shares of Montreal Power principally for revenue are losing annually 4 per cent. on their money—provided, of course, that market appreciation is not taken into consideration.

It is interesting to figure out at just what figure Montreal Power stock must be selling in 1933, five years hence, in order that those who continue to hold the shares will not lose out by so doing.

Now Losing 4 Per Cent.

It must be assumed that between now and 1933 Montreal Power will not increase its dividends. In the intervening years the shareholder will lose 4 per cent. annually by retaining his stock and not investing in high-grade bonds. Four per cent. annually compounded at 6 per cent. amounts to about 22.50 per cent. at the end of the five-year period. The present selling price of Montreal Power is 95; so that 22.50 per cent. of 95 amounts to about $22. The last figure added to the present selling price of "Power" amounts to $117. Thus, if the shares of Montreal Light, Heat and Power Consolidated sell at over $117 in 1933, the holder of the stock will have done better than if he had invested in high-grade bonds.

But Dividends Will Increase

All this, of course, is assuming no increase in Montreal Light, Heat and Power dividend, an assumption which seems more or less ridiculous in view of the past record of the company. Coupled with this, also, is the probability that the price appreciation of the shares will be a great deal larger than $117 five years hence. Montreal is growing, and growing rapidly, and with such growth the earnings of the company must increase also.

Thus, the holder of Montreal Power stock who looks yearningly at the much better yields obtainable from high-grade bonds, will, if he switches his holdings, obtain a far more attractive bird in the hand. But the bird in the bush may eventually lay a much larger golden egg; past experience seems to assure this.

Quebec Power Dividend Helps Parent Company

From Our Own Correspondent.

MONTREAL.—The anticipated increase in the dividend of the Quebec Power Company has materialized. The directors have declared a quarterly dividend of 2 per cent. on the old stock for the third quarter of the year. This was in line with general expectations and places the new shares on a $2 annual dividend basis.

The dividend declaration means an enlarged income for the parent company. From this source the Shawinigan Water and Power Company will obtain a further $50,000 per annum. This addition to the parent company's income is the more significant following, as it does, closely on the additional $150,000 in income which Shawinigan will receive from the recent dividend declaration of the St. Maurice Power Company, another subsidiary of Shawinigan.

Southern Canada Power Earns More on Shares

From Our Own Correspondent.

MONTREAL.—The net earnings after operating expenses of the Southern Canada Power Company for the first eleven months of the current year show an increase of about 8.5 per cent., as compared with the 1926 year. Thus, it is now possible to forecast earnings applicable to fixed charges and depreciation of about $1,000,000 this year. Presuming that the Southern Canada Power Company's write-offs and interest charges are at about the level of last year, net earnings applicable to the common stock should amount to about $3.70 per share of stock, as compared with a showing of $2.47 last year.

However, it is the practice of the company to allow 10 per cent. of its gross revenues for depreciation. This is considered a high figure and explains why, during the past four years, the dividend has been shown earned only by a narrow margin. But, even with an increased depreciation appropriation this year, it seems certain that the earnings applicable to the common stock will show a substantial increase.

Montreal Coke Plant Now Half Completed

From Our Own Correspondent.

MONTREAL.—The construction work on the plant of the Montreal Coke and Manufacturing Company is up to schedule, and the plant should be ready for operation by next July. About half the construction work is now completed. The investment interest in this new company is not solely confined to the bonds of the Montreal Coke and Manufacturing Company, for there is a secondary interest in the new development, as half of the common stock of the coking company is owned by the Montreal Light, Heat and Power Consolidated. The remainder of the common shares is owned by the Keppers Company, the large U. S. coke oven builders and operators. When the plant gets into operation it should add not immaterially to the revenues of Montreal Power.

Anglo-Canadian Mill Progressing

Construction at the new Anglo-Canadian Pulp and Paper Company's plant is still progressing favorably. The paper machines are now being installed, the digesters are being set up and the grinder room is receiving machinery. The plant will likely be in operation in November.

Premier Bracken's Plan for Farm-Factory Council

In Vancouver Address, Manitoba's Premier Makes Notable Plea for Advance of Understanding Between Agriculture and Industry

From Our Own Correspondent.

VANCOUVER. — Formation of a joint council of agriculture and industry to meet at stated occasions for the consideration of the nation's problems, and study and revision of the Canadian tariff laws by a commission of university economists, are two proposals held out by the Hon. John Bracken, premier of Manitoba, as the surest means of bridging the schism long dividing the two basic Canadian groups.

Premier Bracken advanced these proposals in an address before the convention of Canadian Chambers of Commerce here. A brief resumé of his address has already appeared in these columns but because of its importance it is here published in full:

"A scientific study should be made of the tariff, the one question in our economic history which has done more to put agriculture and industry in separate camps than all others combined," he said. "The tariff should be studied by a body of unbiased men, the best brains the country can produce—that body of men to be chosen from the economics departments of the great universities of the land."

Mr. Bracken declared that an opportunity should be given farmers and industrialists to understand each other's problems as a means of bringing about economic peace and prosperity in Canada.

The text of his address follows:

I am going to deal with one of the most fundamental questions concerning the people of Canada at this time: Co-operation between agriculture and industry.

It suggests either that there has been lack of co-operation or that such co-operation as there may have been has been unsatisfactory. I am inclined to the opinion that there has been little or no conscious or organized co-operation in the past between these two great branches of industry. Such spasmodic efforts as have been made have been more or less forced and have failed lamentably to bring about anything like the friendly feeling that might and ought to exist between them.

For this lack of co-operation we can thank, first, the inherent selfishness of our modern business system, which is based on profits to individuals rather than to the community; second, our form of government which necessitates election of representatives from different geographic zones and economic groups, in many cases having pronounced provincial or local views; and, third, the want in recent days of a national point of view on the part not only of many of our public men, but of a large proportion of our private citizens as well.

Tariff Has Been Overemphasized

These influences have all tended to place too much emphasis upon certain factors that tend to divide the two industries and they have resulted in failure to get clearly before the masses of the people the advantages of a scientifically developed national policy in the interests of the whole people. In addition, the tariff question, because it has not been dealt with scientifically, has become highly controversial and consequently has assumed a position in our public discussions far greater than it need have done, while problems of transcending importance, such as transportation, immigration, unemployment, health, sanitation, world markets, ocean rates and shipping facilities, have been forced into a position of secondary importance in our national thought.

In my remarks I shall use the term "industry" in the sense in which the committee evidently intended it to be used, namely, as meaning the manufacturing industry, as distinct from agriculture and the other primary industries, such as mining, lumbering and fishing.

Co-operation Desirable

The topic, as stated, assumes co-operation to be possible. Otherwise, it would not have appeared on the agenda. I believe it is possible. It has been found possible between individuals in the same industry, between industries of similar nature, and between large groups of people in different callings of life in all parts of the world. Our forefathers practised it in the barn raisings and husking bees of old Ontario, more recently it has been used by municipalities and governments in the construction of roads and schools and in the establishment of great drainage and irrigation enterprises, and later still it has shown its possibilities in the great marketing organizations of the world, more particularly those of Western Canada.

Agriculture First

If there has not been satisfactory co-operation between these two great industries in the past, a diagnosis of the causes would seem to be desirable and at the same time to offer the best means of arriving at a remedy.

In passing let us not forget that in this discussion we are dealing with the welfare of the two chief material supports of the nation. Of the total wealth of the state, estimated at $22,000,000,000, agriculture represents $8,000,000,000 and industry $4,000,000,000; of the annual production of $6,000,000,000, agriculture and industry provide equal portions of $2,400,000,000; and of the 2,700,000 people engaged in gainful occupations in Canada approximately 1,500,000 are found in agriculture and industry. The reconciliation of the interests of agriculture and industry therefore clearly constitutes the greatest problem now before the people of Canada.

Some Handicaps

Why has there not been co-operation? In my opinion, the advantages to be derived from co-operation have not been shown to the people. Instead, group selfishness too often has dictated the policies of both, class prejudices have been fostered for local political purposes, lack of reliable information has engendered fear on the part of one that proposals advanced by the other group will result disadvantageously to the first; and the extent and variety of the larger economic interests in Canada, separated by tremendous distances, have aggravated rather than assisted natural differences of opinion. The result has been that we have suffered from the handicap of internal dissension between these two great industries, when we might have been working together for the general advantage of both as well as of all other economic interests in the Dominion.

Too Much Selfishness

I venture to suggest that the causes for the lack of co-operation are largely moral causes. To many of us co-operate for selfish reasons. We are not sufficiently concerned with the bigger social and economic problems which co-operation may solve, but are more interested in co-operation with others if by so doing we gain dollars and cents for ourselves. We have not been over-modest in proclaiming our own rights and the other fellow's obligations.

You and I find ourselves closely associated with different economic groups. That is natural enough; each group needs champions, and I am always proud to take my place in demanding for agriculture its rightful place in Canada; but if as citizens of a great country we throw over national considerations for minority group interests we destroy the very basis of progressive civilization.

It Can Be Done

But you say, how can co-operation be brought about? I do not profess to be able to prescribe a satisfactory method. It is assuming a very great deal to say in one breath that co-operation has not been found practicable in the past and in the next to outline a remedy by which the advantages of co-operation between agriculture and industry can be reaped. Nevertheless, I believe it is possible. Not only do I believe it is possible, but I believe that it is essential to the best interests of the nation, and further, I believe that it can be effectively brought about.

What is needed at the outset is not, it seems to me, a stated formula of co-operation between agriculture and industry, but rather a clearer and more sympathetic understanding on the part of each between these two great branches of our industrial life. One regrets to have to acknowledge that those engaged in industry do not know and do not understand agriculture to-day and that, similarly, those engaged in agriculture are largely unaware of the legitimate aims and accomplishments of industry. We have been kept as far apart as the poles, because each has for the most part been seeking its own immediate advantage without any serious effort to appreciate the other's problems. Before there can be anything like continuous, constructive and permanent co-operation, industry must know more of agriculture and agriculture must know more of industry.

Industry Should Help

Industry must know something of the real problems of rural life. It should realize the disadvantages under which the rural citizen labors in connection with the educational and cultural influences the city provides; that our best schools are in the city, our universities are there, the best churches, almost the only libraries; that it is to city audiences that leaders of empire and world thought speak, and it is only in cities that the best artists give their recitals and exhibitions. Industry should interest itself in solving the problem of the isolation and loneliness of rural life.

Industry ought to appreciate the fact that agriculture, like industry, has made vast strides in efficiency. We have made rapid progress in the direction of producing high quality products. Our wheat is the best in the world; our apples have taken practically all of the prizes in British Empire marketing exhibitions, where they have been shown; Canadian cheese has no superior; our best creamery butter commands the highest market price; our honey not only possesses exceptional flavor, but the average yield in some provinces is almost three times as great as that of the United States; Canadian eggs equal any found in the British markets; we have the best grading system for farm products in the world. In the last 50 years we have conquered the northern prairies in the face of tremendous difficulties and changed them from a vast treeless waste to the granary of the Empire, producing 1-10 of the world's wheat and exporting 1-2 of the wheat that enters into world trade.

Affected by Agriculture

Industry should realize also that the economic depression of 1921, 1922, 1923 and 1924 was largely the result of the decrease in the purchasing power of the prairie farmer. In 1920 the three prairie provinces produced $700,000,000 worth of farm products; in 1921 and the two succeeding years, the value of these products dropped to but little more than $500,000,000 per year. Prior to 1921 Eastern Canada and all the cities of Canada were in a prosperous condition; for the three years following 1921 their economic condition was vastly different. To-day you are facing the future with hope and optimism, largely because of the fact that the average return from the prairie crop during the last four years has been $200,000,000 more than in the years of the post-war depression and that consequently there has been $200,000,000 more spent by western farmers in paying their obligations and in buying your goods.

And industry should not forget that the annual increment of wealth from agriculture is responsible for the major portion of Canada's export trade, for supplying industry with much of the raw products for manufacturing and for providing the means of subsistence to much the largest part of our population,

(Continued on page 9)

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AND REMEMBER that during the period given above wherein such vast profits were shared, there was no consideration given to FUEL OIL—which now is showing even greater possibilities of profits than gasoline—despite the fact that the consumption of the latter is doubled, and will be redoubled, within an incredibly short period. * * * *

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Premier Bracken's Plan for Farm-Factory Council

(Continued from page 8)

who not only live by agriculture, but who also consume the major portion of manufactured products.

Rooted in Soil

A Chinese proverb truly says, "Prosperity is a tree, agriculture is its roots, trade and commerce its leaves and branches; when the root dies the branches wither and the leaves fall."

A well balanced national life demands successful industrial development, and agriculture should, therefore, appreciate to the full the problems of Canadian industries. Since most of you are industrialists I shall enlarge upon this point here. It is perhaps sufficient to say at this time that agriculture must appreciate the problem that Canadian industry faces in competing with a vast industrial nation right at our doors, a nation with a large consuming public which allows for mass production at low costs; and it should sympathize with industry in its problems of competing with goods manufactured in other countries by laborers with lower standards of living, in some cases working long hours at low wages, and by child and female labor. The man on the land can be brought to know that industry faces competition no less real than his own, and I believe he will appreciate those problems and deal with them sympathetically and justly if given the information about them from sources he knows to be both unprejudiced and reliable.

Need of Understanding

If my task to-day is to help to create a bond of sympathetic understanding between industry and agriculture, I would say that if we are to be friendly we must know each other better. The farmer must know about the services which industry legitimately renders to agriculture; and industry must know, not so much the mechanics of agriculture as the needs of rural life and the problems of rural people.

To understand something more of each other is the first stepping stone to a better relationship between agriculture and industry.

Agriculture's Part

First of all, to produce efficiently, and, secondly, to market more efficiently. Time will not permit me to deal with either of these things which it is the duty of organized agriculture to provide. Perhaps I may be permitted, however, to say that everything is not right with the economic system that permits of fruit and vegetables rotting on the ground because the costs of harvesting and marketing are too high to make it worth while for the farmer to gather and transport them to market. Efficient production is now pretty generally understood and practised, efficient marketing is rapidly becoming the general rule, but efficiency in distribution is a problem that has yet very largely to be solved.

Industry's Part

Industry's part is, first, to produce efficiently, and, second, to tell the nation through unprejudiced lips the truth about its problems.

You are gathered here from all parts of Canada, presumably on serious business. You have a great problem in nation building before you. Are you going to leave this subject without some positive move aimed toward directing the development of the country along sound lines You will do so, and all your efforts will be as unavailing as so much rhetoric, unless constructive proposals are advanced, carefully considered and then propagated.

If I may be permitted, I shall advance two suggestions: First, that provision be made for a joint council of agriculture and industry, to meet on stated occasions for the purpose of discussing from all points of view the more pressing of our national problems. A few years ago we had, if I remember rightly, an organization known as the Council of Agriculture and Commerce. This body, I understand, met on several occasions and discussed problems peculiar to the membership at that time. I am one of those who believe that the time is now ripe for the recreation of a similar body. I believe an organization of this kind, meeting at regular intervals and dealing with the many national problems that now present themselves and are likely to present themselves in the future, could make a splendid contribution to Canadian progress in this period of our history.

Tariff Problem

The second suggestion I wish to make is that a scientific study be made of the one question in our economic history which has done more to put agriculture and industry in separate camps than all other things combined. I refer to the tariff. I do not propose allowing myself to become involved in any tariff controversy. I wish to say, however, and to say with all the conviction I can command that whether the tariff is the great benefit to Canada that some people would have us believe, or whether it is the greatest hindrance to our material advancement, the fact remains that if ever a better understanding of the tariff and its effect on national development is to be brought about it will only come through a scientific study of the tariff by unprejudiced and capable men.

Scientific Tariff Making

I not only make the suggestion that the tariff should be studied scientifically, but I suggest further that it be studied by a body of unbiased men, the best brains the country can produce, that body of men to be chosen from the economics departments of each of the great universities in the land. Pronouncements from time to time by such a body would carry some weight with the people, a statement which cannot be made about the teachings of the average man who discusses the tariff; and unless tariff pronouncements do come from such a body they might about as well be left unsaid in so far as having them generally accepted by the people as a whole is concerned.

Our agricultural economic problems have already received some study, but so far as I know the men who are engaged in these researches have never gotten together nationally. And in industry, from what I read, the same thing seems to exist. The Department of Agricultural Economics in the United States is one of the largest and most efficient in the world. Great Britain and the United Kingdom are fostering economic research through the Empire Marketing Board. Our competitor and our greatest consumer are organizing for economic research on the fruit problem, yet we, the greatest food exporting nation in the world, are worrying along without any serious attempt to solve our national problems on sound scientific economic lines.

Tariff's Effects

I do not believe the farmer is opposed to the development and extension of legitimate industries that can be operated efficiently under Canadian conditions, and I am sure he desires to see a fair standard of living maintained amongst the industrial laborers of the land; but I believe he thinks that no artificial means can raise his own standard of living and that he feels that too often the standard of living of the rural people is overlooked when he and his neighbors are asked to favor protection on manufactured goods.

After all, several facts are very obvious. Among these may be mentioned. First, that we now have a tariff; second, that it is supposed to aid and does aid manufacturing in general; third, that in Ontario and Quebec 53 per cent. of the wealth produced comes from industry and only 27 per cent. from agriculture, and that in the prairie provinces 14 per cent. of the wealth produced annually comes from industry and, fourth, that as long as these last mentioned conditions remain we undoubtedly shall have a tariff of some sort.

Basis of Trade

At the same time we should not forget that the trade of any country depends upon the ability of that country to produce better and cheaper goods than any other country and to exchange them for goods which other countries produce cheaper and better than it does; nor should we forget that prosperity is not always measured in terms of money, it more often lies in continuous employment with sufficient real wages and effective purchasing power on the part of the masses of the people.

Whatever has been our policy in the past, it only concerns us now in regard to the future. If we introduce new industries that cannot stand on their own feet, but must continually ask for protection from the government, the farmer will feel justified in saying what he has said and felt many times before, namely, that the best co-operation between agriculture and industry is for industry to get off the farmer's back.

High protection for industry in the United States has certainly not developed a prosperous agriculture. The United States farmer is now asking the government to subsidize agriculture; in fact it looks as if the next election there will be fought on this issue. Australia has already subsidized the agriculture exporter.

It cannot too often be repeated that industry can never advance by destroying the purchasing power of its best customer, the man on the land. What we need then is a National Fair Trade Policy rather than either free trade or a high tariff policy with regard to imports.

The Basic Industry

I have endeavored to deal with these matters in a non-controversial manner, and I trust I shall not now be charged with prejudice if I advance a personal view with respect to the problems that are facing us.

The first step toward effective co-operation between the two industries, the first step in the direction of a joint partnership directed toward national development along sane and scientific lines, must begin with the recognition of agriculture as the basic industry, the substructure upon which the superstructure must ultimately be built.

In my opinion the one great ecomonic problem in Canada is the problem of developing our primary industries—agriculture, forestry, mining, fishing—and among these the chief is the re-establishment of agriculture on a sound basis of prosperity. Our annual increment of national wealth is said to be $4,500,000,000; of this, production accounts for $3,000,000,000 and other services such as transportation, merchandising and personal services other than in production, $1,500,000,000. Of the $3,000,000,000 arising from production, primary industries provide $1,800,000,000 and all the manufacturing industries combined furnish $1,200,000,000. Of the $1,800,000,000 from primary industries, agriculture provides $1,200,000,000, forestry $300,000,000, mining $200,000,000, electric power $75,000,000, fisheries $50,000,000 and trapping $15,000,000.

Transportation Problem

But, you say we have a transportation problem, the problem of the C.N.R. deficits, the problem of immigration, the problem of markets for your manufactured goods, the problem of forestry and mining. My answer is that railway deficits can only be met by increased traffic and that can only be provided in a large way as primary industries develop and more particularly as agricultural commodities increase. I would answer also that a prosperous agriculture will do more to stimulate immigration than all the money spent by the federal government and the railways in a dozen years. I would answer still further that the increased purchasing power of the farmer will do more to help eastern industries and stimulate the other primary industries than any other thing. If it is true in Canada, as it is reported to be in the United States, that the average return on the farmers' investment is about 2½ per cent., then it is surely time that the nation roused itself to the seriousness of the situation and attempted rational steps by which agriculture could make more profit and at the same time increase its measure of content and purchasing power.

Agriculture is, after all, the really basic industry of Canada. In that industry many times more Canadians are engaged than in any other industry; on that industry depends, either directly or indirectly, the welfare and prosperity of most of the innumerable small towns and villages of the Dominion and mainly the welfare and prosperity of the great manufacturing centres also.

When Canada Prospers

The lesson which the whole country had in the years 1921-24, when depressed prices for the products of agricultural industry affected the whole economic condition of all the industries of Canada, forced upon every thinking mind the fact that when the farmer is prosperous the whole country is prosperous and when the farmer is not prosperous there is no enduring basis for prosperity for anybody else in the country.

From whatever point of view the economic life of Canada is studied, the more irresistibly is the conclusion forced upon us that the agricultural industry is of the most fundamentally vital importance to the whole country and to every Canadian, no matter where he lives or works, or what his occupation is.

Best Superstructure

The farmer can be helped by the increase of knowledge of the right methods, and this must not be neglected, but important as that is, its importance is seriously lessened if the farmer is so heavily burdened that no matter what his methods are he cannot carry on profitably.

While agriculture should be recognized as our chief basic industry, yet agriculture alone will not bring to Canada her greatest destiny. There must be a balanced development of agriculture, other industries and manufacturing, if costly mistakes are to be avoided. The high price of seasonal labor in harvest time in the prairie provinces to-day and the probability of considerable unemployment in the winter is one example of the high price the nation pays for unbalanced development.

Two Questions

At this point perhaps I might be permitted to ask two questions: First, is it well that any section of the Canadian people should feel instinctive hostility to anything that manufacturers try to do to improve their business? And, second, is it right that any other section of the Canadian people should feel instinctive hostility to anything the farmers do, or want done, whether by co-operation or otherwise, to better their condition of work, to lessen their burdens, to bring about a better relation between their costs of production and what they receive for their products?

I suppose there are farmers who have come to have a more tolerant view of manufacturers and vice versa, and I suggest that a better acquaintance between those engaged in industry would vastly increase the number of business men and of farmers who hold more tolerant views regarding each other.

And now may I close with a quotation from a distinguished Oxford man, the late Master of Balliol, who wrote:

"Nowhere was the village community so real and so enduring a thing as it was in England for at least twelve centuries of its history. In every parish men met almost daily in humble but very real self-government, to be judged by their fellows or fined by them, or punished as bad characters, to settle the ploughing times and harvest times, and the following and the grassing rules for the whole village. To these twelve centuries of discipline we owe the peculiar English capacity for self-government, the enormous English development of the voluntary principle in all manner of institutions and the aptitude for colonization. Our policies, our commercial enterprises, our Colonial Empire, are all due to the spirit of co-operation, the spirit of fair play, and 'give and take,' the habit of working to a common purpose, which tempered the hard and grim individuality of the national character."

Time is Opportune

What an opportunity there is in Canada now for a joint council of agriculture and industry to embrace, and what a field for a joint board of economic research to explore! The privilege and power of managing our own affairs in our own way, without coercion or compulsion, is the greatest gift that can come to the people of any country. The opportunity is ours in Canada to-day to lay broad and deep the foundations of the Canada to be. Is it too much to hope that in the building of that structure agriculture and industry, in these modern days, may take a lesson from the pages of history and remember, to use Baldwin's phrase, that human hands were given us to clasp and not to be raised in fratricidal strife.

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TORONTO, SEPTEMBER 23, 1927

SPENDING TOO MUCH

WHILE the Dominion government is spending less than it was spending five years ago, the provinces and the municipalities have been increasing their expenditures and hence their demands upon the taxpayers. If the definite figures were available, they would probably show that the amount being paid in taxes this year is about the same as the amount paid five years ago. Of course, production is increasing and the ratio of taxation to production is therefore lower, but such improvement is not enough. We are still from the pre-war scale of governmental expenditure when one day's work in ten sufficed to pay the taxes. To-day, two days work in eleven is required to meet the tax bills. As the average working week is now five and a half days, we work one day a week to pay our taxes.

The most recent definite figures on the relative burden of taxation in Canada are those just prepared by the Citizens Research Institute for the year 1925. The figures show that in 1925, the tax burden of the country was $607,000,000 as against $590,000,000 in 1902.

The increase was due to a 24 per cent. jump in provincial taxes and a six per cent. increase in municipal taxes. Dominion taxes had gone down.

The burden represented 18.26 per cent. of the total net production of the Dominion as opposed to 20 per cent. in 1922.

Our cities and governments are still living on an extravagant scale. The public has learned bad habits and is too ready to look to "the government" as the paternalistic giver of blessings and bounties.

IN A TEAPOT

SOME time ago The Financial Post reported that the Bancitaly Corporation, which is affiliated with the Bank of Italy of California, had acquired 500 shares of Bank of Montreal stock and 500 shares of stock in the Royal Bank of Canada. Did the newspapers of Canada rise in wrath and pour forth sensational shuddersome warnings that control of Canada's two largest banks was being fought for by a gigantic Pacific coast banking octopus? They did not.

Subsequently other investment trusts in the United States began to purchase Canadian bank stocks. Seemingly they awoke to the value of our bank stocks before we did ourselves. They were ready to anticipate the future prosperity of the banks to an even greater degree than Canadian investors, who are notorious for their habit of discounting the future. Did we feel cold chills running down our back when we saw this gradual acquisition by American investment trusts of Canadian bank shares? No; there was no public protest; no demand upon the finance minister to prevent the passing of these shares; no suggestion that the Americans were trying to acquire our banking structure.

Why, then, all the outburst of concern when a paltry few shares of Canadian bank stocks are acquired by a New York investment trust set up to specialize in Canadian bank shares, and are made the basis of an offering of the investment trust's stock? The formation of this investment trust has been exploited, as a daily newspaper story, entirely out of proportion to its real weight either as an item of news or as a factor in Canadian banking control.

Canadian bank shares are too securely placed among Canadian investors, scattered too widely over the length and breadth of the country, and too firmly locked in the strong boxes of men, women and estates ever to be acquired in menacing amounts, in a short space of weeks, by any single group. Canadian control of Canadian banks is not endangered by the present volume of American buying of our bank shares nor can it be endangered by any movement normally likely to develop. To acquire the few shares that they have been able to get hold of, American investment institutions have had to bid up every bank stock to very high levels. The floating supply of these shares is practically nil; true, many Canadians are being tempted to take the present offered prices for their shares but as they sit back and survey the situation, they will become increasingly impressed with the fact that what is worth $150 or $350 to an American investor or American investing institution is worth $150 or $350 to a Canadian.

If there is any danger in the present situation it is not that control of our banks is passing. It is that the shares going to the United States are less likely to be firmly placed than shares now held in Canada. In times of financial stress across the border, investors and institutions might find it necessary to sell their Canadian bank stocks for one reason or another. Just as a moderate demand creates a strongly rising market for these shares a moderate offering might weaken prices considerably and this in turn might lead to nervousness and lack of confidence on the part of Canadian investors that would have no sound basis in the actual condition of Canadian banking. This may be an unnecessary fear; such circumstance may not transpire. Nevertheless it is unfortunate that shares of any proportion at all of Canadian bank stocks, that have been scattered far and wide among all classes of investors, should become concentrated in the hands of a few groups. The degree of centralization of ownership that is being achieved is not sufficiently important to warrant any concern as to the control of Canadian banks but it may be a cause for regret from the standpoint of the stock market.

FOREST CONSCIOUSNESS

THE need for an empire forest policy was emphasized at the recent meeting of the British Association for the Advancement of Science. Sir Peter Clutterbeck made an incontestable prophecy of a coming famine in soft woods throughout the empire, even in Canada where virgin forests are rapidly being used up with little effort to replace the sources of supply.

Sir Peter told Britain that it would be necessary for its people to organize their own future sources of supply at home, developing a forest consciousness as have France and Germany.

He went further and urged extension of Empire silvercultural research.

Canada can stave off a wood famine by attention now to reforestation, conservation and forest research generally. The paper companies and some of the provinces are advancing this work very materially now. But the nation as a whole has not a forest consciousness.

THE SMALL BUSINESS

BIG business is growing bigger. The tendency to consolidations, so apparent just before the war, is with us again. Merger follows merger. Particularly is this noticeable in the field of distribution, where the chain store idea has become a fetish. It is a sound enough idea and most of the chains are doing very well or have prospects of doing well. The independent retail merchant, who does not want to go into a chain or can not go into a chain, is naturally somewhat nervous. The movement is sudden and ominous; merchandising executives large and small have not fully adapted themselves to the new competition.

But "big busienss" in the retail field does not mean an end to all independent retailers. If one will calmly sort out the complex factors in the situation, give to each one its respective weight and attempt to forecast the probable trend of the different influences at work, he will see that to prophesy the elimination of the small retailer is as foolish as, on the other hand, to condemn the chain store as a menace.

Every big business was small one day. The soundest industries have grown from the smallest beginnings. Similarly the most successful stores are those that began in a small way and have built up a reputation for quality and service that has led to their inevitable but gradual expansion. Eventually they have become large organizations, either by internal growth or merger with similar units, but always after the hard work of building good will had been done. The store chain or larger merchandising establishment that can start as a big concern is a rarity. There are some exceptions, of course, chiefly in the pure food field, but in each case these concerns are providing what is after all only a partial service to the housewife in the relation and handling of the foodstuffs for the family table.

There will always be new ventures into retailing and therefore always small stores. Every time a consolidation is effected, some enterprising executive of one of the stores in the group will feel the urge to become his own boss instead of remaining as a cog in a large machine. He will go across the road from his former store, open a shop, give a unique touch to its service or stock and lay the foundation for what many years hence may be a big business or part of a big business. He will draw business to his store, if he knows how to run it, and may do so without any permanent effect upon the institution he left.

Population and wealth are both growing. Continuously the demand of the country for merchandise is increasing. Every year more goods are bought. The larger units are in a strong position to gain much of the new business. But the increasing consumption provides openings for new retail units.

The independent retail merchant is not doomed to disappear. He is too vital a factor in distribution service. Individual stores may disappear as their owners grow old and find it profitable to sell out to the chains. Unprogressive and inefficient merchants will be swamped as they prove themselves incapable of stemming new tides. But many thousands of the old stores, well run, up-to-date, giving personalized service, will remain and their numbers will be augmented by the constant addition of new stores opened by ambitious young men with mental or monetary capital.

BOOKS AND BUSINESS

EVERY doctor has his library. The keen, ambitious physician reads every new work published in the field wherein he specializes.

Every lawyer has his library and makes a large annual investment in authoritative works on corporation or criminal law.

Some successful business men have business libraries. But while business men nowadays specialize to an even greater extent than doctors or lawyers, the average one among them does not read and study to the same extent.

The great men of business have almost always been heavy readers. The larger their interests the less they have used the time-worn excuse that they had no time to read.

No man can honestly declare that he has not time to read. He may not be able to read all the good fiction, history and biography that comes out but an hour a day, preferably the last hour at night, when one is lying in bed with a light at the head, will enable one to cover an amazing lot of ground.

Especially for the young man in business, there should be a definite programme of reading of business literature; trade and technical papers, and all authoritative works published on his field of commerce or finance, be it banking, leather tanning, baking, bond selling or something else.

The business library is a tool of business that gives a distinct advantage to him who uses it.

"I can't find time to read," reflects an inability to organize one's executive mind.

BRITISH BRANCH PLANTS

THE Montreal correspondent of the London Times Trade and Engineering Supplement has written for his paper an article on the proposal of Hon. James Malcolm that more British firms should locate factories in Canada. He states that in recent discussions of this matter there has been a tendency to disregard some of the economic considerations involved and to emphasize those of a sentimental character. The high reputation of British products and the organization and experience of British companies are factors of importance, but it must be remembered that Canada to-day is a highly competitive market for most classes of merchandise, and that in some branches of Canadian industry manufacturing capacity has been developed beyond the immediate requirements of the domestic trade and available export business. No one, the article adds, will deny that there are opportunities for British industries to establish branch factories in Canada, but these must be judged on economic grounds. There is a strong desire on the part of Canadians for a larger representation of British capital in the manufacturing industries of the Dominion, and the Dominion government has shown that it is ready to co-operate.

This is sound advice. But it must not be forgotten that Americans have built over 1,000 branch factories in Canada while British firms have been building a much smaller number, probably not over 200. In considering the economic value of new factories, the future may now be safely discounted by the enterprising capitalist.

EDITORIAL NOTES

NO, LINDY will not get married. He knows now that "he travels farthest who travels alone."

• • •

IN A LARGE Montreal hotel, Montreal melon is 65 cents for breakfast and 75 cents for dinner. The ten cents probably pays for the free music.

• • •

WHAT IS the ugliest word in the language? We nominate "gubernatorial" and "pulchritudinous" as harshest to the ear. Yet one has reference to the majesty of the state and the other to beauty.

• • •

SMITH BROTHERS are depicted as hot on the trail of the makers of "Old Gold" cigarettes who advertise that there is not a cough in a carload. William Wrigley, Jr., will be after Coolidge and McAdoo and the others who do not "chews."

• • •

SWISS cheese is not always Swiss cheese. Now they are going to call the Swiss cheese that is made in Switzerland, "Switzerland Cheese." But Hamburg steak does not come from Hamburg, nor French pastry from France, nor all the champagne from Champagne.

POST-Scripts

EARNEST ELMO CALKINS, in the Atlantic Monthly, tells of the great day on which he sent a cheque for $16,000 (if memory serves correctly) to a life insurance company and thus made the final payment on annuities he had taken out some years before. It was the supreme moment of his lifetime. He was assured of a good income, comfort, freedom from worry and all that go with those qualities for the balance of his days. But apparently to the company the transaction was only one more entry in connection with some number in a ledger account. All he received was a formal receipt. No word of congratulation; no welcome into the bosom of the insurance family; nothing but a cold, printed thank-you.

A Toronto man had just read Mr. Calkins' article when he received an accident policy for which he had applied earlier. In the envelope was a lengthy receipt, a policy and a piece of advertising literature. The receipt was formal and dull. The policy caused him to shiver. It was labelled "Disablement and Dismemberment Policy." The words seemed terribly gruesome and made him wish he had not paid out his $30 for such a horrible reminder of the dangers of the modern civilization. The piece of advertising literature showed the picture of a much worried man who had just been the guilty party in an automobile accident and was facing ruin because he could not find $25,000 and was not insured.

What a welcome to a new policyholder! Truly insurance needs humanizing.

THE Conservatives do not want to choose their leader on the thirteenth. Originally they had planned their Winnipeg national convention to open on October 11. It was expected that the leader would be selected on the third day. This would have made their choice fall on the thirteenth of the month. The superstitious ones in the party objected. The convention was moved forward one day and will open on October 10. But if the leader is chosen on the third day, he will start his career on a Friday which may not be much better than starting it on the thirteenth.

IF YOU happen to be visiting across the line some day soon and suddenly hear a voice immediately over your head shout "Cold Rolled Cigarettes. There's not a cough in a truck-load," look up, but look a long way up. You will not see any seven foot ten giant standing beside you, talking. The voice will come from an aeroplane.

For the "voice from the air" is the newest in stunt advertising, tying up with legitimate advertising media. An aeroplane has been chartered by a prominent cigarette manufacturer to advertise his product. The aeroplane is equipped with a microphone and amplifying equipment, which magnifies the human voice about one hundred million times. And when the operator in the 'plane speaks into a mouthpiece people on the ground hear his voice plainly. To them, it sounds as though some one was speaking to them just above their heads, out of a first story window, so to speak.

But what terrible terrors there are latent in this new monster. Is the whole brilliant heaven to become a midway with barkers to shout their wares by day and night?

Comments

Remarkable Remarks by Interesting People

JAMES SPEYER, famous banker: "Every large European capital has a historic museum devoted exclusively to showing the growth and activities of that city from its earliest days. Such a museum not only has a great and educational value, but, naturally, tends to stimulate the local pride of its citizens in its past and future."

• • •

S. B. GUNDY, Chairman, Advisory Committee, Canadian Chamber of Commerce: "By diversification of effort we lose; by concentration on a single objective we succeed, and the first united effort of Canadian businessmen must be to encourage and cultivate in Canada the consciousness of the confederacy of the Canadian provinces, which has not yet been accomplished despite our sixty years of confederation."

• • •

THOMAS A. EDISON, inventor: "With trans-ocean flight developed as it seems possible in years to come, simplification of international problems ought to be more probable, than their complication. International flight at high speed, therefore, may possibly help men find a means towards stopping war. But I'm not sure of this. Men do not have full control of themselves."

Book Reviews

The Lengthening of Niagara Falls

For many million years Niagara Falls has existed. Yet in the past sixty years the Horseshoe Falls have eaten their way backward for over 350 feet. When the falls were first surveyed by engineers, 150 years ago, the Horseshoe or Canadian Falls formed a graceful arc, as viewed from the air. To-day they are the shape of a fat man's thumb. Erosion has changed their shape, has affected their beauty, and has created a grave danger of total disappearance of much of the present scenic effect. Lovers of Niagara Falls have undertaken the task of finding out what is needed to prevent such rapid erosion of the lip of the falls and of seeing that the necessary works are erected.

The Buffalo-Niagara and Eastern Power Corporation, the pioneer power corporation at the falls, whose ugly stone power plants are the dominant feature of the landscape just below the falls on the American side, have constructed a miniature model of Niagara Falls where they have tested out different plans to save the falls. From time to time the corporation has issued literature on the subject. The newest booklet, "The Lengthening of Niagara Falls," has just been issued and is a very beautiful volume, bound in stiff boards, and well illustrated. The scientific aspects of the suicide of Niagara Falls are not covered at length, but the problem is sketched for the man who is interested, although not more than casually.

As no price is mentioned, we presume the booklet has been prepared for free distribution among interested people.

Canadian Customs Guide

There are certain books of reference which come out year after year and are not only recognized as standard but essential for the business community for which they were primarily designed. Into this class falls the Canadian Customs and Excise Tariffs, 1927, compiled by Michael P. McGoldrick, which is now being distributed by the publisher.

The present issue contains nearly 950 pages and gives in detail the rulings of the Customs Department, as well as changes in the Act up to July 1st, 1927. There is also a list of custom brokers in Canada and the United States. The usual features are included such a list of countries enjoying the benefits of special tariffs, tables for reducing sterling and francs into dollars and cents, tariff of wharfage rates at Montreal; in fact, all information which would be of value to a customs broker or anyone interested in export or import trade.

The book is published by the McMullin Publishers, Ltd., 115 Youville Sq., Montreal, and can be had at a cost of $3.50.

The Fur Trade of Canada

Two years ago the department of economics of the University of Toronto set a group of students about the task of studying every phase of the fur trade and fur industry in Canada. Elaborate theses were prepared after extensive effort by the students. The writers of these studies unearthed much material on the fur trade that had not previously been gathered together in manuscript form, and their studies proved of great value to the fur industry. The incident is quoted for two reasons. First of all it shows that students who have not had practical experience in the business world can, under the direction of a resourceful professor, make investigations and studies that executives in the industry do not attempt because of the time and effort involved. Thus the training of students can be attuned to the practical needs of business. In the second place the incident is mentioned because it offers a basis of explanation for the appearance now of a story of "The Fur Trade of Canada," written by Professor H. A. Innis, assistant professor of political economy at Toronto, and published by the university library.

The book is labeled as the first of a series which will deal with the chief industries of Canada. Selection of the fur trade for analysis in the first volume is happy, for the romance and the dollars and cents of the fur trade and fur industry in Canada have called for adequate analysis for many years.

The volume represents the sum of many years of study by Professor Innis, tireless, penetrating effort that cannot be expected to reap any financial reward commensurate with the effort involved and the good accomplished. Description is given of the fur-bearing animals of North America, the tendency of prices, efforts to conserve fur-bearing animals and breed them in captivity, treatment and manufacture of furs, their marketing, and the outlook for the fur trade.

Professor Innis expects to see present tendencies in the fur trade continue. These are, briefly, steadily rising prices, an acute problem of supplying the public demand, and dependence upon wild life for fur supply. He suggests further regulation and other conservation efforts while realizing the serious difficulties involved.

The volume is not large, only 170 pages, including annotations, indices, graphs, bibliography and other features that add to its reference value while making it less attractive for the general reader. The book sells at $2.

Other People's Views

Our Corporation Laws

Canada Lumberman.—Recently an atterney from the United States who paid a visit to Canada severely criticized the corporation laws and made the following significant observation: "If I wanted to put across a crooked deal and stand a good chance of covering my tracks, I would take out a corporation charter in Canada. My experience as government investigator inclines me to the view that anyone operating such a charter stands a fair chance of beating the law.

"For instance, under a Canadian charter a concern need not issue traceable stock certificates, but may issue so-called stock warrants without serial numbers and with no means of identifying the ownership of such paper. Such warrants can be negotiated with little fear of detection."

The "Canada Lumberman" knows little about the legal frailties in connection with the issuing of letters patent to newly-formed companies but, speaking from a broad business standpoint, it may be stated that facilities for securing information in regard to any freshly-launched venture in a corporate line are very inadequate and unsatisfactory. This fact is attested by business concerns, newspaper publishers, mercantile agencies and others.

A high-sounding name may be obtained for a company and, after a long rigmarole in an official gazette setting forth its purposes and powers, the amount of the authorized capital is given and also provisional directors, who generally constitute legal clerks, stenographers, bookkeepers or someone from whom it is utterly impossible to get any reliable data. No street address is given, while the names of those actually behind the project remain unrevealed, for an indefinite period, perhaps. There is no way of ascertaining who the officers are, what objects the concern has in view, how large a business it will undertake, its distinct line of activity, what assets it has, etc., although many business concerns might like to open up negotiations with some of these new companies.

In the last issue of the "Canada Lumberman" a reference was made to the fact that it was regrettable more details were not gettable and the manager of a mercantile agency endorsed everything said in this respect. He pointed out that at least 75 per cent. of the charters for the first month existed only in the law office of the firm getting out the application for letters patent. These legal representatives would not divulge the real interest or persons employing them, and, as a result, all efforts to find out something worth while or useful regarding new concerns were negatived or delayed so long that the information was of little use.

A moiety of companies obtaining charters seem to be doing so for purposes other than the extension of business or entering into new lines of activity. Names appear on a dummy directorate, a general address is given such as Toronto, Montreal, Winnipeg, Vancouver, etc., and frequently this is the last heard of these bodies, after official announcement is made. Perhaps they do no harm, but, on the other hand, if more light were shed upon new organizations and further details furnished or called for in the charters, in regard to bona fide directorate, specific location, the real interests behind them, etc., there would not be so much disappointment created on the part of those who would like to do business with these concerns. Definite knowledge should be available whereas now many of the new corporate bodies coming into existence are not really worth while cultivating for orders or business, but seem to be simply a brain-wave in the mind of some promoter, dreamer or speculator.

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In the Mail

Snow is an Asset

The Editor, The Financial Post:

That article in one of your last month's issues, "Snow as an Asset to Canada," is sound stuff. Canada would be very much less than she is but for her snows.

I have lived in India, a country of omnipresent and eternal dust, stench and flies, poisonous reptiles and insects, pestilential diseases, and recurrent famines; a country where snow never falls, and the heat for a large part of the year makes life a misery.

Snow is a purifier, a beautifier and a destroyer of all noisome creatures, including degenerate and worthless human beings who swarm in all hot climates.

Let all good Canadians rejoice in their country's honorable title of "Our Lady of the Snows."

—JOHN BEAMES.

Prince Albert, Sask.,

"Stop Me If You've Heard This One"

A gentleman called at the home of Mrs. Murphy and inquired for her. Mr. Murphy answered the bell and, calling up to Mrs. Murphy, informed her that there was a gentleman to see her.

"Tell him to take a chair," replied Mrs Murphy, "I'll be right down."

"Take a chair!" yelled Mr. Murphy, "Begorra; he's taking all the furniture; he's the instalment collector."

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INQUIRIES INVITED

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries on sheets separate from other investment inquiries.

Cosmos Common

Is the outlook for Cosmos Imperial Mills common satisfactory?

Cosmos Imperial Mills looks just as attractive for a long hold now as it did several months ago when it was selling at half its present price.

Seagram's

Do you think the possibilities for appreciation of Seagram's are good?

So far as we are able to learn there is nothing in the situation which is likely immediately to change the value of Seagram stock.

Simpson's, Ltd.

What do you think of 6½ per cent. bonds of Simpson's Ltd.?

With regard to Simpson's Ltd., 6½ per cent. bonds, we believe these to be amply secured but it may be pointed out that the bonds are the earnings from the common stock of the Robert Simpson Co. Ltd. These earnings are usually several times the bond interest.

Steel of Canada

Should I sell or hold Steel of Canada at the present price of $155?

You ask if Steel of Canada is a sale or a hold at $155 a share. Since then the stock has risen many dollars per share.

Steel Company of Canada is one of the primary industries of this country. As the country goes ahead, the company must also go ahead. The question as to whether you should buy or hold at the present time depends on whether you bought this stock for a market turn or as a permanent investment.

Ft. William Paper Bonds

Would you sell Fort William Pulp & Paper 6 per cent. bonds, bought at 98½ and invest in Canadian General Securities at 100, to yield 6 per cent.

Over a term of years you would probably get a higher return from investment in the stock of an investment trust than by holding an industrial bond. The question as to whether or not you should switch depends on if you desire to retain something which is a direct charge on the property or an investment which depends on high quality of management. We believe that Canadian General Investment Trust has a high quality of management and it is fair to assume that such management will continue. Property always remains although the value of it may fluctuate.

Carling's-Lake Ontario

Carlings and Lake Ontario Brewing are selling at the same price and I am in doubt as to which to buy.

In our opinion, from the viewpoint of the investor there does not seem to be at the moment any very great choice between Carling and Lake Ontario Brewing.

Possibly the stock of Lake Ontario Brewing has a somewhat better distribution than the stock of Carling.

Bank of Nova Scotia

May I trouble you to let me have your views on the rapid rise in the price of Canadian Bank Stock and do you think the outlook warrants one in holding for further advances. My present holdings in Bank of Nova Scotia alone show a profit of almost $30,000, and I am of the opinion that the American demand for our Bank Stocks will continue and cause the price to go higher. Do you agree? Would you borrow to purchase blocks of Royal, Montreal or Commerce at the present price?

It is probable that there will continue to be purchases of Canadian bank stocks by Americans. Bank stocks are popular at the moment and the yield from Canadian stocks is somewhat higher than the yield from American stocks.

At the same time, we would hesitate to recommend the purchase of additional shares of Canadian bank stocks on your part, without knowing something as to your total holdings. There is no trouble in the offing, but, nevertheless, Canadian bank stocks are probably stocks which should not ordinarily be purchased on margin.

We see no reason why any permanent investor in Canadian bank stocks whose proportion of such holdings is in proper ratio to his total investment should part with these at the present time. Of course, those who are interested in stocks only for the market upturn probably would be well advised to listen to the advice of those brokers who urge contentment with a moderate profit. There are few speculators who are able to get the last point or fraction of a point.

You appear to have a very nice profit in one. If you do not wish permanently to hold these stocks, why not take a part of your profit?

Automotive Credit

Would you please give us some information about the bonds of the Automotive Credit Corporation.

There is no market at all for the bonds of the Automotive Credit Corporation. Recently some of these bonds were advertised in a Montreal daily paper at $55, but we believe that you would not be able to obtain even one half of this figure for each $100 bond.

As we understand it, the company is in difficulties, and at present is really not operating. It is understood that the last interest payment on the bonds was made with borrowed money.

Earlier in the year, in April, the management was changed, and the present difficulties of the company are directly traceable to the inefficiencies of the old management. The present management is endeavoring to do its best with a lame duck, but the future outlook both for the Automotive Credit Corporation and for the bondholders is not at all promising.

Western Grocers

Western Grocers is now selling at a lower price than that at which I bought it. What is the outlook?

Wholesale grocers in Western Canada are facing problems similar to the problems faced by wholesale grocers in Eastern Canada. It was to be assumed that with the re-organization of this company a year or two ago, the situation would improve, but the action of the stock does not indicate any such change. Persons connected with the company are said to be hopeful of better results in the immediate future in view of the fact that the company has achieved a sort of alliance with operators of independent grocery stores whereby these stores will be operated as chains are operated.

The West will be more prosperous this year than it was last. Western Grocers have opposition in one or two private companies which are exceedingly prosperous in themselves, but there ought to be enough business to go around and if the secret of economical and efficient distribution has been solved, some improvement may be expected in the stock. However, it may be pointed out that the improvement is not likely to be sudden or rapid and that possibly you might be able to recoup your losses by purchasing some other security.

International Nickel, etc.

Your article, high price of stocks, makes one rather nervous and I would appreciate very much your reply by mail, as to the advisability of selling or holding the following stocks which our family hold:

5	Laura Secord Pfd.	at 110*
10	Bell Tel.	at 125*
90	Nickel	at 61
35	Imperial Oil	at 48½*
15	McColl	at 38 1-3
10	McColl	at 44*
40	B. A. Oil	at 14½*
30	B. A. Oil	at 26½
15	Can. Oil	at 24¾
100	Noranda	at 23
200	Teck-Hughes	at 7.87
59	Walkers	at 48½
50	Wright Hargreaves	at 6.40
50	Walkers	at 48½

The ones marked * we purchased to keep and Nickel was for a two-year hold. However, we do not want to retain any stock that can very probably be bought within the next year, say, at a considerably lower figure.

We are particularly interested to know about Nickel, some houses say it will be back to the fifties; your paper has been recommending its purchase in the 60's, but as before stated your article has made me apprehensive about Nickel, etc.

We do not think you have much cause to worry over the stocks held by you and your family. True, you have paid good prices for some of your holdings (Imperial Oil, for instance,) but we think that over a term of months and years, you will be well satisfied with the average result.

We do not pretend to be able to predict the course of the market. With regard to Nickel, we are stating merely that the company has an excellent outlook and that over a term of years purchases in the 60's, or perhaps even higher, may appear to be cheap.

We do not think that there are many stocks in the Canadian market which are cheap at the present price. At the same time, there may be a continuous upward movement of stocks which are favorably placed. We think that if investors buy into companies in essential industries and are careful to pick from the leaders, and stocks which can be readily marketed, the future will take care of itself so long as the country as a whole continues to go ahead.

Canada Steamships

On March 28th you gave me information about eight companies. I bought the common stocks of four of these and sold them at a profit, for which I have to thank your service. These were Page-Hersey, Cosmos Imperial, Laura Secord and Canada Steamships. I lost a little on steamships.

We are going to have a record crop of wheat. Could you put forward a list of stocks which promise well in the face of this wheat crop?

I have 100 Teck-Hughes bought at $7.98. Would you advise me to take the profit or hold as an investment for dividends. I have 1,000 Corona at 14¾. Acanda is selling at half the price I paid—30 cents.

With a record crop of wheat this year and the wheat pool handling only a portion of it, the grain companies should have a fairly good year. This makes the common stock of Alberta Pacific Grain Company somewhat attractive from the viewpoint of persons interested in the moderately long hold. If you are looking for a business man's permanent investment you might be interested in the preferred stock of the same company.

Winnipeg Electric Railway is a company which is doing well. The common stock is held by many persons who see in it a promising speculation.

A good grain crop should help Steamships. We think that you were somewhat precipitate in selling off your Page-Hersey, Cosmos Imperial, Laura Secord and Canada Steamships. We believe there will be continuous improvements in the position of these companies which will be reflected in the value of these stocks.

In the mining field you will observe that you have done very well on Teck-Hughes which is a producing mine and that your speculations among the prospects have not been particularly fortunate. We think there is money to be made in Canadian mines and it is fortunate that there are many persons who are willing to gamble on mining prospects. But in view of your remoteness from the market we think you would be well advised to confine your activities to mines which are producing and paying dividends.

Central Manitoba and the Kirkland Lake stocks are attractive, in our opinion, from a speculative viewpoint.

Goodyear Tire

Will you kindly give me your opinion of Goodyear Tire common as a purchase? Is there a possibility of advancement in these shares in the near future?

Owing to the fact that shareholders in Goodyear Tire recently were given new shares at the nominal price of $1 for each old share held, the value of the common shares now is approximately half the former value. The common stock is selling on the Toronto Stock Exchange at around $95 a share.

Goodyear Tire is the largest concern of its kind in Canada and we believe it is exceptionally well managed. The demand for tires and other rubber products increases constantly. Thus the outlook for the stock is excellent.

Shredded Wheat

Will you be kind enough to favor us with your opinion of Shredded Wheat stock at the present price, advising dividend rate and if you think there is any chance of appreciation in value?

The dividend rate on Shredded Wheat is $3 per share which at $70 per share, gives a yield of about 4½ per cent.

This company has a long record of earnings and it is fair to assume that the shareholders will continue to have a satisfactory experience. Buyers of the stock around the present level will perhaps have to be reasonably patient before the yield is sufficient to give a good income on the money invested. There is always the possibility, of course, that the market value of the stock will appreciate as it has in the past.

Hobbs Storage Battery

Regarding the Hobbs Storage Battery Co.:

This is a new company manufacturing a new kind of battery. They are offering 15,000 preferred shares at $10 each and 10,000 common shares at $2.50 each. I would like to know if it would be advisable to buy these shares either for a short or a long hold?

From their prospectus they appear to be backed by a few big financial men in Toronto.

The Hobbs Storage Battery Company is as yet in a promotion stage. Whether or not the company will be able to establish itself as a profitable manufacturing enterprise, only the future can tell.

All new enterprises are extremely speculative with the probability that the stock at first will go below the issuing price. From an investment viewpoint, you could not look favorably upon a purchase of this kind, and in any event, we consider buyers unwise who purchase more than a very moderate amount of such stock.

Spanish River

Let me know your views on the purchase of Spanish River common as an investment, would you please?

Spanish River is regarded as an excellent stock. If you purchase the shares at the present time, though, you must be prepared to hold them. Those actively engaged in the industry feel that the present hesitancy in the newsprint market may last for a period of two years. However, the shares return you a much higher yield than securities of a similar high grade in other industries, and it may be well worth your while to hold the stock till improved times for the newsprint industry are on the horizon. During the past year, while the newsprint industry was over-expanding, Spanish River invested in new newsprint companies, which are now producing and which should bring in a yield of some kind to the parent organization. When the company loses through a decreased scale of operations, it may make up at least in part through increased earnings from its investments. The stock appears to be a satisfactory purchase for a business man who is willing to bide his time.

The outlook for the newsprint companies as a group seems to be somewhat improved for the usual autumn increase in the demand should make its appearance at any time now. This should tend to increase the scale of operations at the mills and to increase the earnings of the companies engaged in the industry.

International Paper

Would you let me know, please, if the International Paper convertible debentures may be exchanged for preferred up to the redemption date of the debentures? Would I be well advised to make the conversion now and obtain the rights to common shares in addition? In view of the newsprint situation, would I be wise in holding on to the new common and new preferred?

We take it that you are aware that International Paper is to redeem at 102½ and interest $10,000,000 of its 6 per cent convertible debentures on October 1, 1927. After this date interest will cease on all the called debentures. No doubt you have seen a list of the numbers which have been called and have ascertained whether your holdings are included in those which will be redeemed.

If your debentures have been called it is important that you exercise the conversion privilege, as you will not be allowed to do so after October 1 next.

If your debentures are not called the conversion privilege extends only to October 1, 1928—one year hence. Up to that time the holders of the debentures will have the right to purchase two shares of the common stock at the rate of $40 per share for each $1,000 debenture converted, par for par, into preferred stock.

We should like to stress the point that the conversion privileges expire just over a year hence, and that if you wish to exercise these privileges, you must do so before that date.

In our opinion, we believe that you would probably profit by exercising the conversion privilege immediately. We have heard that a large number of the debentures have already been converted.

Whether you should continue to hold your International preferred and your International common after you have made such a conversion is another question. It depends entirely on your other investment holdings. Perhaps at the present time you are not in a position to hang on to a substantial block of preferred stock. We do not know the extent of your other holdings.

The common shares of the company are a speculative purchase for a business man, and must be so regarded. Their ultimate potential value, though, is undoubtedly gigantic, and the possibilities of the future will doubtless tend to keep up the price of the company's shares despite the present slump in the newsprint market.

When Women Invest

Adhering Fairly Closely to Standard Investment Stocks Will Benefit Most in Long Run—Three Other Interesting Issues

A Weekly Feature.

What firms would be a good investment for a woman?

We think that in the long run an investor will profit most by sticking closely to the standard common stocks. For your information, we would point out to you:

Four Good Stocks

Canadian Pacific Railway operates between the Atlantic and the Pacific and derives revenue from hotels and steamship lines. As the country grows, the railway must benefit. Purchase of stock in this company should be satisfactory to investors.

Montreal Power is a utility which serves Canada's largest city. It is a city which is growing. The record of the company has been most satisfactory from the viewpoint of the investor. The stock at present prices gives a somewhat low yield but held over a term of years, it is reasonable to expect that the average yield would be satisfactory.

Consumers Gas Company, Toronto, is a well-managed utility with a guaranteed return on its investment. With neither bonds nor preferred stock having a prior charge on earnings, the common stock is a first class investment.

The common stock of the Bell Telephone Company of Canada is among the premier investments. The revenue of the company will increase with the growth of the country. Public authority backed by public opinion, recognizes the necessity of granting rates which are sufficient to give a fair return on capital invested.

Three Which Improve

These are the most conservative of common stocks for which there is an active market. Of a somewhat more speculative class, we would suggest the possibilities of Winnipeg Electric common

The preferred stock of Canadian Canners, Ltd., now is selling at a price to give a current yield of about 5 per cent. There are arrears of dividends on this stock which ultimately will be met by the issue of new stock or otherwise.

What of Arnold Bros.?

Will you please give me your opinion of Arnold Bros. as an investment. I see that their common stock is very low. Would it be a good buy at present prices?

What about Hollinger?

The prevailing opinion in Eastern centres is that Arnold Bros., Ltd., has a somewhat uncertain future. As you probably know, the company recently took on nearly 70 additional stores and in the re-adjustment of management and policy that was inevitable, problems developed which perhaps have not yet been solved.

At the best, this issue is a business man's investment and we do not think that it could be recommended for a woman.

It is generally believed that recent recessions in the market value of Hollinger are temporary and we think that investments in this company should be as satisfactory as investments in a mining company normally can be.

Insurance Stocks

Insuranshares Trust Certificates based on equities of some of the largest insurance companies in Canada and U.S., provide unique medium for diversified investment in one of our most profitable and rapidly growing industries.

A new offering of Series H-27 certificates is now available at a price of $23.25. Previous series are all selling at a premium.

It should be profitable to you to investigate this investment opportunity. A full description will be sent on request.

Ask for Circular 1-4

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193

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You'll get a new zest for living when you find your right work.

Send specimen of handwriting to Psycho-graphologist, P. O. Box 701, Ottawa, Ont. Full fee $2.00. Prompt reply.

Editor's Note.—This journal testifies to the integrity of the above advertiser and to the scientific soundness of his delineations.

Canada Gypsum and Alabastine, Limited

6½% First Mortgage Bonds, due 1942

The Company is the largest manufacturer in Canada of gypsum products, such as wall board, partition and roof tiles, hard wall plaster and plaster of Paris; the sole producer in Canada of "Alabastine" and, in addition, a large producer of hydrated lime and other lime products. Its business represents a continuous successful record of operation since 1886.

Fixed assets are valued at $2,162,336, against $1,250,000 of Bonds. Earnings for the year ended May 31st, 1927, after operating and maintenance expenses and local taxes, were $248,846—equivalent to 3 times present annual bond interest requirement.

Price: 100 and accrued interest, to yield 6½%

Descriptive circular on request.

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THE NATIONAL CITY COMPANY CANADA

Gatineau Power Company

5% First Mortgage Gold Bonds

Due June 1, 1956

Principal and semi-annual interest (June 1 and December 1) payable in United States gold coin in New York and Boston, and in Canadian gold coin in Montreal and Toronto. Coupon bonds in denominations of $500 and $1,000, registerable as to principal.

The Gatineau Power Company controls water power sites with an aggregate potential capacity in excess of 800,000 h.p. Contracts for the sale of power have been executed with the Hydro-Electric Power Commission of Ontario. The Canadian International Paper Company and the Canada Cement Company. Upon the completion of the capacity under construction and the sale for power purposes of all power to be produced, it is estimated that net earnings of the Company available for interest and reserves will exceed $6,000,000 per annum, or over 2¾ times the annual interest requirements on the entire First Mortgage Bonds outstanding. Circular upon request.

Price 97.50 and interest to yield over 5.16%
(Subject to prior sale and change in price)

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal
10 King Street East TORONTO | 204 Blackburn Building OTTAWA | 71 St. Peter Street QUEBEC

247

Bonds Called

The 6 per cent. first mortgage bonds of the Ontario Pulp and Paper Co., dated 1912 and aggregating $68,900, have been called for payment January 1st, 1928, at 110 and interest at the Royal Trust Co., Toronto or Montreal, or at the Bank of Montreal, London or New York.

All of the outstanding first mortgage, 6 per cent. 20-year, sinking fund gold bonds of the Provincial Paper Mills, Ltd., dated May 1st, 1920, have been called for payment November 1st next at 105 and interest at the Bank of Montreal, Toronto or Montreal, or at holders' option, at the agency of the Bank of Montreal, New York City.

Part of the 6 per cent. first mortgage gold bonds of Page-Hersey Tubes, Ltd., dated June 30, 1926, totalling $800,000, have been called for payment November 1st next at 105 and interest at any branch of the Dominion Bank in Canada.

The Minister of Finance has intimated that the 5½ per cent. Renewal Victory Loan, due on November 1st and aggregating $29,068,400, will be redeemed in cash. These bonds are payable in Canada.

"Dependable Information"

"I am relying entirely on the information supplied by The Financial Post before purchasing any stocks in the future. From my experience you supply dependable information."
—ONTARIO INVESTOR.

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News of Investment Markets

CASH OFFER MADE FOR C.N.R. INCOME STOCK DEBENTURES

No Mention is Made of Important Dividend Arrears

Cable advice from London states that negotiations between the stockholders' committee, which is looking after the interests of the holders of Canadian Northern Railway 5 per cent. income debenture stock, and the Canadian Northern Railway has been satisfactorily concluded with an offer from the railway subject to ratification by the Canadian parliament, whereby the railway undertakes to redeem the stock on May 6, 1928, at 94 for stock of 100 par.

Unfortunately the despatch does not give details of the proposed agreement. Before the meeting, the committee made a public statement that no offer would be acceptable to them which did not give consideration to an accounting of the earnings of the railway since 1914. One of the principal contentions of the stockholders was that the railway has been earning its dividend on the income debentures, but owing to the methods of accountancy in force, it was impossible to determine this point. Whether the committee has allowed this matter to be dropped in order to effect settlement, is unknown but at a recent meeting of the Canadian stockholders, it was the opinion of those present that the back interest should be paid.

Issued in 1910

The history of this debenture stock goes back to 1910, when the old Canadian Northern Railway offered about $24,000,000 on the London market. The stock was secured by a mortgage on all the properties of the company, excepting land grants, and ranked next to securities issued before that time and guaranteed either by the Dominion or one of the provinces. Thus on some parts of the property, the income stock is a third charge, on others fourth, fifth and sixth. It was also set forth in the trust deed that an accounting should be given to the shareholders every six months of the earnings of the company available for the payment of interest. It was further stated that in the prospectus covering the first issue in 1910, it was intended in future to amalgamate the railways of the Canadian Northern, either by lease, purchase or otherwise, into one great corporation.

Dividends were paid on the debenture stock up until 1914 when they lapsed. The proposed amalgamation as outlined in the original prospectuses never took place. Later on the Canadian Northern Railway and other lines under its control were taken over by the federal government and formed part of the Canadian National Railways.

Offer Turned Down

The matter of dividend arrears was let ride for the time being, but with the approach of maturity—May 6, 1930—a committee of stockholders was formed to determine the status of the stock and interest arrears before the Federal Government. In October of last year, an agreement was reached. It was proposed that a new stock be created by the Canadian Northern Railway or by the Canadian National Railways, unconditionally guaranteed as to principal and interest by the Dominion of Canada, bearing interest at 4½ per cent. per annum as from May 6, 1930, be exchanged for the old stock on the basis of 86 for each 100.

The committee agreed to this proposal, but when submitted to the Dominion Government for ratification, it was turned down. Since then certain developments took place which further strengthened the case of the stockholders. Negotiations were resumed about a month ago, but were broken off at the time owing to the two parties failing to come to an understanding. The matter was again brought up early this month and apparently has been satisfactorily adjusted.

PORT ALFRED PULP CORP. CARRIES OUT FURTHER FINANCING

Quebec Company Will be Secured Through Proceeds of Issue

An important new issue is being offered this week by Wood, Gundy and Co., the issue consisting of $10,133,000 first mortgage sinking fund bonds, 5½ per cent., series A, Port Alfred Pulp and Paper Corp. These bonds will be offered simultaneously in Montreal, Toronto and New York. In addition, there will also be offered in London, England. £1.000,000 of 5½ per cent. registered debenture stock, series A, ranking pari passu therewith.

Particulars of the issue are:

$10,133,000 Port Alfred Pulp and Paper Corpn.
1st Mortgage Sinking Fund Gold Bonds
5½% Series A
Dated November 1, 1927 Due November 1, 1957

These bonds are being offered simultaneously in Montreal, Toronto and New York. In addition there will also be offered in London, Eng., £1,000,000 of 5½ per cent. registered debenture stock, Series A, ranking pari passu therewith.

Corporation—Owns and operates newsprint and sulphite mills at Port Alfred, P.Q.

Resources—Has sufficient pulpwood to keep plants operating for great many years.

Earnings—For the eight months ended Aug. 31, 1927, available for bond interest, depreciation and depletion, were $1,682,370—or at the rate of 2,523,555 per annum, equal to over 3 times annual interest on bonds and registered stock of this issue.

Sinking Fund—Annual cumulative sinking fund commencing November 1, 1932, sufficient to retire at or before maturity all of the bonds and registered stock of Series A.

Assets—Net tangible assets, after giving effect to the proposed financing and deducting all current liabilities, had a depreciated value of $35,146,776 as at August 31, 1927.

Properties—Include four newsprint machines of latest design with complete complementary equipment. Pulpwood supplies exceed 20,000,000 cords. Also has rights direct from Chicoutimi Freehold Estates, Ltd., to cut wood on timber areas of that company which owns freehold areas of 400,000 acres of virgin forest on Peribonka River. Through ownership of one-third of outstanding common shares of Anticosti Corporation and under terms of agreement with that corporation, there is available to the corporation one-third of the total pulpwood owned by the corporation, estimated at 15,000,000 cords.

Purpose of Issue—Proceeds of this issue of bonds and registered debenture stock of Series A will be used to provide funds for the acquisition of the corporation's interest in the successor company to Quebec Pulp & Paper Mills, Ltd.; to retire $7,925,500 presently outstanding first mortgage bonds, which will be called for redemption; to retire $1,860,000 6% deferred notes collaterally secured by income debentures, which will be cancelled and the mortgage securing them discharged, and to pay off bank loans in their entirety, thereby placing the corporation in a strong liquid position and substantially reducing its annual charges.

Capitalization—(Upon completion of present financing)—First Mortgage Bonds (including registered debenture stock), $35,000,000 authorized, $14,999,667 outstanding; 7% Cumulative Redeemable Preferred Shares (par value $100), $6,000,000 authorized, $6,000,000 outstanding; Common Shares (no par value), 120,000 shares authorized; 103,077 shares outstanding. The balance of the authorized 120,000 Common Shares has been subscribed for and payments totaling $423,075 are payable in December, 1927.

Restriction—Trust Deed will contain a restriction which will prevent the corporation from paying any dividends on its common shares, if and as long as its net current assets, to be defined in the Trust Deed, fall below an amount equivalent to $5,000 per ton of the corporation's rated daily newsprint capacity.

Offered—Wood, Gundy and Co., at 97 and interest, yielding over 5.70 per cent.

GOODYEAR T. ISSUE QUICKLY OVERSOLD

Preferred Meets With Good Public Demand—Sound Position

Goodyear Tire and Rubber Co., 7 per cent., cumulative preferred stock, amounting to $2,000,000, being part of an authorized issue or $19,500,000, was publicly offered early in the week by a syndicate composed of A. E. Ames and Co., Dominion Securities Corp., and Nesbitt, Thomson and Co. The books were closed a few hours after the opening.

The remarkable growth of the business is well shown by the gross sales of the company at various periods. In 1923 sales reached $10,614,000; in 1925, $15,800,000, and in 1926, $26,000,000. Sales in the current year have shown a further large increase. Not only is the company doing a large domestic business, but it has also developed a very important export trade with 85 of the countries of the world.

Particulars of the issue follow:

$2,000,000 Goodyear Tire and Rubber Co. of Canada
7% Cumulative S. F. Preferred Stock

Company—Largest manufacturer and distributor of pneumatic and solid rubber tires in Canada. It also manufactures a wide line of mechanical and other rubber goods. Company owns two modern plants at New Toronto and Bowmanville, Ont.

Capital—7% Cumulative Preferred Stock, $19,500,000 authorized, $7,949,800 issued; Common Stock, no par value, 150,000 shares authorized, 133,300 shares issued; no bonds.

Assets—Total net tangible assets after depreciation, taxes, reserves and all liabilities as at September 30th, 1926, were $11,588,025, which is equal to $145 for each share of issued preferred stock. No value has been placed on patents, trade marks, rights, or goodwill.

Earnings—After taxes, depreciation, reserves, etc., totaled in 1926, $1,657,365, as compared with $1,049,440 in 1925 and $837,734 in 1924. Net earnings last year were 2.9 times the preferred dividend requirements. Sales for the nine months ended June 30, 1927, are substantially greater than in the same period in 1926.

Management—There will be no change.

Voting Power—Each share of preferred entitles the holder to one vote.

Listing—Shares are listed on the Toronto and Montreal Exchanges.

Redemption—Redeemable in whole or in part at 110 per cent. of par and accrued interest and unpaid dividends.

Offered—A. E. Ames and Co., Dominion Securities Corpn., and Nesbitt, Thomson and Co., at the market, yielding about 6.83 per cent.

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SELL BOND ISSUE ST. MAURICE VALLEY

Proceeds Will Reimburse the Company on Capital Expenditures

In order to reimburse the company for recent capital expenditures and to improve its liquid position, Wood, Gundy and Co. are publicly offering $2,000,000 first mortgage and collateral trust 5½ per cent. sinking fund bonds, series B, of the St. Maurice Valley Corporation.

The corporation is the second largest producer of newsprint in the Dominion, owning properties formerly owned by the St. Maurice Paper Co., over 99½ per cent. of the authorized common shares of Belgo Canadian Paper Co., and all of the authorized no par value common shares of Canada Paper Co.

Properties owned or controlled by the corporation have a combined capacity of over 1,000 tons of paper a day or an annual capacity of 280,500 tons newsprint and 22,500 tons wrapping, book and writing paper and white and colored specialities, as well as an annual capacity of 18,000 tons kraft pulp, 29,000,000 paper boxes, 300,000,000 paper bags and 60,000,000 shipping bags. The corporation and its controlled companies own or control pulpwood areas estimated to contain 20,000,000 cords of pulpwood, sufficient for a full rated capacity for many years to come. Adequate hydro electric and hydraulic power at low cost is assured to the corporation by long term and favorable contracts with the Shawinigan Water and Power Co. In addition, Canada Paper Co. owns water power adjacent to its mill properties with developed capacity of 6,000 h.p.

Details of the bond issue follow:

$2,000,000 St. Maurice Valley Corporation
1st Mortgage and Collateral Trust Sinking Fund Gold Bonds, 5½%, Series B
Dated September 1, 1927 Due September 1, 1957

Corporation—Second largest newsprint producer in Canada. Owns or controls St. Maurice Paper Co., Belgo Canadian Paper Co., and Canada Paper Co.

Capital—First Mortgage and Collateral Trust Sinking Fund Bonds (including registered debenture stock) $15,000,000 authorized, $11,797,333 outstanding; 7% Sinking Fund Cumulative Preference Shares, $10,000,000 authorized, $10,000,000 outstanding; Common Shares (of no par value), 500,000 shares authorized, 160,000 shares outstanding.

Earnings—Average for the seven years ended December 31st, 1926, were $2,586,841—equal to over 3½ times annual interest on outstanding bonds and registered debenture stock, including this issue. For the six months ended June 30, 1927, net earnings were $1,576,561, or at the rate of $3,153,122 per annum, equal to 4½ times annual interest on outstanding bonds and debenture stock.

Assets—These bonds are subjected to the direct specific charge on certain assets having a depreciated book value of $18,318,104. There has also been pledged under the direct specific charge over 99½% of the common shares of Belgo Canadian Paper Co., and all of the common shares of Canada Paper Co., having a combined book value of $14,144,895.

Sinking Fund—Annual cumulative sinking fund commencing September 1, 1932, sufficient to retire at or before maturity all of the bonds of Series B.

Redemption—Redeemable as a whole or in part at the option of the corporation on any interest date on sixty days' notice at the following prices and accrued interest: at 103 if redeemed on or before September 1st, 1937, and thereafter at 102, if redeemed on or before September 1, 1947, and thereafter at 101.

Offered—Wood, Gundy and Co., at 96.50 and interest, yielding about 5.75 per cent.

Victoria Secures Terminal Elevator

It is expected that work will start soon on the construction of a terminal elevator at Victoria, with a capacity of 1,000,000 bushels.

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WOOLLENS EARNS LARGER PROFITS IN FISCAL YEAR

But Still Not Sufficient to Provide Suitable Depreciation Reserve

From Our Own Correspondent

Operating profits of $163,342 are shown by Canadian Woollens in submitting its annual report for the past financial year to the shareholders. The amount marks an increase of $40,149 over the previous year, and has permitted the redemption of $43,980 of preferred stock and the application of $77,125 to depreciation accounts.

While the earnings proved sufficient to allow the appropriation of a larger amount for depreciation of plant and equipment than was possible in any one year since 1921, the president, A. O. Dawson, points out that the operating profits are still some $30,000 short of the amount necessary to provide a satisfactory amount for depreciation.

Income Account Figures

Comparative figures for the past three years follow:

	1926-27	1925-26	1924-25
Oper. profit	$162,342	$121,837	$75,172
Rentals	850	1,206	1,955
Total	163,192	123,043	77,127
Interest	17,292	13,284	17,382
Balance	145,900	109,759	59,745
*Stk. red.	43,980	22,733	4,459
Balance	101,920	87,026	55,286
Bad debt res.	5,000	......	9,196
Balance	96,920	87,026	46,090
Depreciation	77,125	23,113	46,090
Balance	19,794	63,913	......

*—For redemption of preferred stock.

The working capital position

	1926-27	1925-26
Curr. assets	$1,250,204	$1,014,186
Curr. liabs.	456,151	237,406
Working capital	794,053	776,780

The most notable changes in the balance sheet include the elimination of cash amongst the assets, and the appearance of an item of $120,500 due from subsidiaries. An increase of some $60,801 is shown in the investments.

Remarks to Shareholders

In his remarks to the shareholders, the president states:

"In view of the distressing conditions under which the woollen industry of Canada has had to labor in recent years, the period now under review makes possibly as favorable a showing as could reasonably be expected, in that the earnings have been sufficient to allow the appropriation of a larger amount for depreciation of plant and equipment than was possible in any one year since 1921. The operating profits are, however, still some $30,000 short of the amount necessary to provide for a full depreciation.

"Your directors are hopeful as a result of the facts recently put before the government tariff commission, in regard to the position of the mills making woollen piece goods in Canada, that at the next session of parliament such legislation will be enacted as will permit your mills earning sufficient to at least pay the shareholders a reasonable rate of interest on the money they have invested in this enterprise.

Instals New Machinery

"New machinery to the value of $97,000 was installed during the year, as your directors feel that only by keeping the plant and equipment up to a high state of efficiency can any hope of final success be attained.

"During the year two small yarn-spinning plants came on the market, namely, Milton Spinning Mills, Limited, Milton, Ont., and Otonabee Mills, Limited, Peterborough, Ont. These plants were close competitors of your mills, and, as they were obtainable at terms which were considered favorable, they were purchased by your company. These mills for the present will be operated as separate units, but later it may be deemed advisable to incorporate them with Canadian Woollens, Limited."

PREFERRED RATE IN FULL POSSIBLE NOW ON CANNERS

(Continued from page 1)

next year also is unfavorable, whatever surplus there may be on hand will command good prices.

Preferred in Demand

There has been considerable buying of the preferred stock of this company in the last several weeks on the strength of reports of better current earnings and the fact that the next report will show a marked curtailment of inventory as well as a corresponding improvement in the cash position, which was already good.

The view is that the arrears of dividends with a face value of approximately $20 are worth $10 per share in actual cash. Thus, the buyer at the present market of $95 need consider that his share of stock costs him $85 on which he is receiving $5 in dividends, or about 6 per cent. This is a good yield on a food stock in a company which is growing.

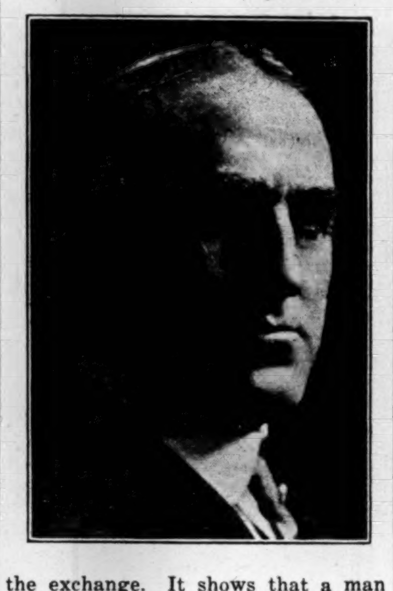
It is believed that ultimately these arrears will be met by an issue of additional common stock. The common recently has been selling around $50 the share. There are 22,824 shares of common outstanding, compared with 91,142 shares of preferred.

Twenty Years in Grain Sees Kneeland at Top

By G. C. PORTER.

WINNIPEG.—Measured by the annual business transacted, the grain exchange of Winnipeg ranks among the great concerns in the industrial life of Western Canada. Its five hundred members include some of the most alert mentalities on the continent.

It is considered a signal honour therefore, to be chosen president of the exchange. It shows that a man has registered in the business circles of the country. The position is sought after by the big men of the organization. The selection means that the man upon whom the mantle falls is not only high up in the affairs of the grain trade but is personally very popular with its members. Some times this popularity is difficult to secure and maintain, for here, as probably in no other business of the country, competition is keen, always the controlling factor. A fraction of a cent some times makes the difference in trades involving millions. A view point as to supply and demand at a given time of the great commodities that pass through the exchange in a continual stream may make or break a company or a client.



So, when E. W. Kneeland was elected president of the Winnipeg grain exchange last week, his companions in business conferred on him the highest gift in their power. The honor came after just twenty-one years connection with the grain business in Winnipeg. He came to this city just 21 years ago from Minneapolis, to handle the business of the great British America Elevator Company, as manager. Up to 1889 he was connected with the Brooks Elevator Company at Minneapolis and Chicago. On that date the Peavy interests absorbed the Brooks and Kneeland remained at Minneapolis with the consolidated concern at Minneapolis until 1905.

Mr. Kneeland has long been a director of the Grain Exchange Clearing House Association and actively connected in many ways with the public life and service organizations of Winnipeg. He has a handsome home in the city and finds time from his business for many recreations and social gatherings. Among the big men of the grain trade Mr. Kneeland ranks at the top, genial, progressive and ever keen to advance the business of the grain trade in general.

PULP MAGNATES' LUNCHEON MAY BE SIGNIFICANT

Thought Improbable Gathering in Toronto Merely to Consume Food

The social columns of Toronto daily newspapers this week recorded the fact that the lieutenant-governor of Ontario entertained at luncheon a number of guests in honor of W. F. Brooks, United States senator from Minnesota. The guests were:

E. R. Wood.

A. R. Graustein, president, International Paper Co.

E. W. Backus, Minneapolis, president of Minnesota & Ontario Paper Co., and head of the Backus-Brooks interests.

I. W. Killam, Montreal, head of the Royal Securities Corp.

A. D. George, lawyer of Fort Frances, Ont., where the Backus interests operate a mill.

Means a Pulp Deal?

There has been much speculation as to the reason for this gathering of pulp and paper financiers in Toronto. The Toronto Telegram claims to have discovered that the Backus-Brooks interests are seeking further timber rights in Northwestern Ontario and that Mr. Graustein is associated with Mr. Backus in the Great Lakes Pulp and Paper Co.

It is thought possible that the International Paper Co. is seeking to extend its activities into Northwestern Ontario, where it has hitherto been absent. But it cannot be determined whether it is sought merely to do this by means of the Great Lakes Pulp & Paper Co., which is primarily a Backus enterprise, or whether a sales of the Backus-Brooks enterprises to International Paper is a possibility of the near future. If the presence of men interested in the financial end of the business has any significance, it would seem that some new financing is a probability in the near future.

DOMINION BRIDGE SPLITS ITS SHARES

Five New No Par Value Shares to Replace Each $100 Share

From Our Own Correspondent.

MONTREAL.—The conversion of the Dominion Bridge Company's capital stock into shares of no par value on the basis of a five for one split was announced following the recent meeting of the directors. The company has an authorized issue of 100,000 shares of capital stock of which 65,000 have been issued. By the exchange shareholders will now hold 325,000 shares of no par value. The company has no preferred stock or bonds and no funded debt, so that earnings will still be directly applicable to the new shares after allowance has been made for depreciation and the other usual deductions.

During the financial year just closed Dominion Bridge paid in addition to its regular 4 per cent. dividend a cash bonus of 4 per cent. which with a previous distribution made earlier in the year brought the total distribution of the past twelve months up to ten per cent.

The shareholders may anticipate a dividend of $2 per share on the new stock.

Tenders and By-laws

September 26—School Commission of Drummondville, P. Q., 110,000, 5 per cent., serial debentures. Gaston Ringuet, sec.-treas.

September 24—School Municipality of Clarendon, P. Q., $20,000, 5 per cent., serial debentures. J. T. Hodgins, sec.-treas.

Sept. 26, Trafalgar Twp.—$19,663, 5½ per cent, 20 year bonds for construction of pavements.

Oct. 11, County of Peel—$30,000, 5 per cent. 10-instalment debentures. W. M. Willis, clerk, Brampton. (See announcement on page 16.)

Sept. 24, Shawville—$20,000, 5 per cent., 25-instalment bonds.

Oct. 3, Parish of St. Dominique de Jonquiere, P.Q.—$40,000, 5 per cent., serial bonds. D. Simard, sec-treas.

Oct. 3, Parish of Ste. Foy, P.Q.—$21,500, 5 per cent., serial bonds. J. Morin, sec.-treas.

Oct. 4, Montreal Catholic Schools Commission—$2,200,000, 5 per cent., 35 year bonds. A Lafontaine, sec.-treas.

Oct. 1, School Commissioners of Montmagne, P.Q.—$60,000, 5 per cent., serial debentures. J. N. R. l'Esperance, sec.-treas.

NATIONAL STEEL CAR YEAR 1927 IS IMPROVEMENT

Net Loss is Negligible After Substantial Increase in Depreciation

The annual report of National Steel Car Co., Hamilton, for the fiscal year ended June 30, reveals an improved financial position, compared to the previous year, but it is apparent that the company must receive a substantially greater volume of orders for railway equipment if it is to operate at a profit.

The net loss for the year was $3,005 after depreciation and interest on bonds. This compares favorably with a net loss of $30,979 the previous year and a loss of $197,535 in the fiscal year ended June 30, 1924.

A substantially larger amount was allowed for depreciation in the year just closed than in the previous year, the respective sums being $215,250 and $55,003. The directors point out that the depreciation reserve now is equal to 40 per cent. of the value of the buildings and plant, exclusive of land, which has appreciated in value.

There is an improvement in working capital. Current assets are reduced slightly, from $2,829,265 to $2,732,086, but there is a greater reduction in current liabilities, from $1,914,814 to $1,715,681. Thus the net working capital is increased from $914,451 to $1,016,405.

Bond interest shows a reduction, owing to redemption of a portion of the outstanding obligations. The item in the year just closed was $76,520, compared with $81,600 the previous year.

The report of the directors, signed by Robert J. Magor, chairman and president, stated that the company is prepared for efficient and economical operation, which may be expected in view of the improved trade conditions throughout the country.

It is also noted by the directors that, in the two months since the close of the fiscal year, the company has virtually completed all its railroad contracts and that no further business in large volume is in sight. While this is unfortunate, it is pointed out that the cash position of the company, as a result of cleaning up these orders, is excellent. The bank loan and similar current liabilities have been wiped out.

In the last year, the company's two largest orders were for 500 automobile box cars for the Pere Marquette railway and 24 street cars for the Dominion Power & Transmission Co.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING JUNE 30

	1927	1926	1925
Net Earnings ..	$288,765	$151,103	$x46,337
Total ...	......	151,103	x46,337
Bond Interest	76,520	81,600	84,100
Res. for Depr.	215,250	55,003	67,098
Loss on trucks	......	45,479	......
Net Profits ...	$ x3,005	x30,979	x197,535
Surplus for year	x3,005	x30,979	x197,535
Add prev. surp.	108,155	139,134	356,669
Bal. car. fwd. ..	105,150	108,155	139,134

xLoss.

Stock Range—			
Common—High	25	16	15
Low	18¼	5	5

Southern Canada Power

August—	1927	1926
Gross earn.	$132,143	$116,783
Oper. exp.	49,573	40,209
Net earn.	$82,570	$76,574
Eleven months—		
Gross earn.	$1,385,560	$1,264,579
Oper. exp.	478,095	428,643
Net earn.	$907,465	$935,936

Unlisted Bonds

	Bid	Asked
Abitibi Fibre, 6s, 1947	97¼	98¼
Abitibi P. & P. 6s, 1940	104¾	105½
Algoma Steel 5s, 1962	30	31
Alberta Pac. Grain, 6s, 1946	97⅞	98⅝
Bell Telephone 5s, 1955	102⅛	102⅝
Belgo Can. Paper, 6s, 1943	101½	102½
Brandram-Henderson, 6s, 1936	96¾	98½
B. C. Pulp & Paper 6s, 1950	87	91
Brompton P. & P. 6s, 1946	99¼	100¼
Burns, P. & Co., 6½s, 1943	102½	104
Calgary Brewery 5s, 1942	93	94
Calgary Power 5s, 1940	92¾	93¾
Canada Biscuit, 6½s, 1946	100½	102
Canada Lt. & Pr. 5s, 1949	93¼	94
Can. Nor. Power, 6s, 1941	101	102
Can. Paperboard 7s, 1937	98½	101
Can. Steamships 5s, 1943	99¼	100
Can. Steamships 6s, 1941	98⅝	99¼
Can. Steel Foundries, 6s, 1936	105¾	107
Davies, Wm., 6s, 1942	93	94
Dominion Iron 5s, 1939	32	35
Dominion Pr. and Tr. 5s, 1932	97⅝	98¼
Drummond Invest. 6½s, 1938	98¾	99½
Duke Price 6s, 1966	105¼	105⅝
East Kootenay Pr. 7s, 1942	103¾	104½
Elec. Development 5s, 1933	100¼	100¾
Famous Players 6½s, 1943	99	100
Fraser Co. 6s, 1950	99	100
Gatineau Power, 5s, 1956	96⅞	97⅝
Gatineau Power, 6s, 1941	100¼	100¾
Howard Smith P. & P. 6s, 1941	103¾	104¼
International Paper 6s, 1941	104½	105½
King Edward Hotel 7s, 1944	91	94
Lake Superior P. & P. 6s, 1941	105½	106½
Laurentian Pr. 6s. 1936	103¾	105
Laurentide Pr. 5½s, 1946	101¼	102½
Maritime Tel. & Tel. 6s, 1941	104½	105¾
Manitoba Pr. 5½s, 1951	100¼	100¾
Mercury Mills 6½s, 1942	102	103
Mont. L. H., & P. 5s, 1951	100½	101
Mont. Pub. Service 5s, 1942	99⅛	99⅝
Nor. Ont. L. & P. 6s, 1946	100¾	101⅝
Nor. West Utilities 7s, 1938	99¼	100¼
Nova Scotia Steel 5s, 1959	63	69
Nova Scotia 6% Debs.	28	32
Nova Scotia Tram. 5s, 1946	92½	93½
Nova Scotia Tram. 7s, 1952	99¾	100½
Ont. Pulp & Paper 6s, 1931	108¾	110
Ottawa Hull Pr. 6s, 1948	103⅝	104¾
Ottawa L., H. & P. 6s, 1953	104½	105¾
Ottawa Mont. Pr. 6½s, 1949	103⅛	104
Ottawa Trac. 5½s, 1955	100⅝	101½
Ottawa River Pr. 6½s, 1953	102	103
Port Alfred P. & P., 6½s, 1943	104	105
Price Bros. 6s, 1943	103⅞	104⅝
Prov. Lt. Pr. 5s, 1946	101	102
Rio Tramway 5s, 1935	95⅛	98⅝
Sao Paulo Tram. 5s, 1929	98	98½
St. Lawrence Paper 6s, 1946	97	97¾
St. Maurice Valley 6s, 1945	98¾	100
St. Maurice Pr. 6½s, 1953	107½	108¼
Shawinigan W. & P. 6s, 1950	104½	106
Simpson's, Ltd., 6½s, 1945	103	104
Southern Can. Pr. 5s, 1955	98⅛	99½
Spanish River P. & P. 8s, 1941	106¾	107½
West Kootenay Pr. 6s, 1943	103⅝	104¾

This Week's Bond Sales

United Counties Issue

The United Counties of Dundas, Stormant and Glengarry, $65,000, 5 per cent. 20-year instalment bonds were awarded to Bell, Gouinlock & Co. at 100.31. The bonds were sold at a cost of 4.97. Wood, Gundy & Co. bid 100.21.

Moose Jaw Issue

Houston, Willoughby & Co. were the successful tenderers for an issue of $70,000 City of Moose Jaw 5%, 20-instalment bonds at 97.65, a cost to the city of 5.15%. The bids were:

Houston, Willoughby & Co.	97.65
Dyment, Anderson & Co.	97.67
Bank of Commerce	97.53
Kern Agencies and Wood, Gundy Co.	97.26
McLeod, Young, Weir & Co.	96.69

Sioux Lookout Bonds

An issue of $30,000 Town of Sioux Lookout, 5%, 20-instalment bonds has been awarded to Dyment, Anderson & Co. on a bid of 99.962. The cost to the town is 5.04%. The bids follow:

Dyment, Anderson & Co.	99.962
Burgess & Co.	99.67
Wood, Gundy & Co.	99.51
Bond Debenture Corp.	99.367
McLeod, Young, Weir & Co.	99.13
Mackay, MacKay & Co.	98.33

County of Lanark Bonds

An issue of 65,000 County of Lanark, 5 per cent. 20-instalment bonds has been sold to Bell, Gouinlock & Co. at 100.35. The cost to the municipality is 4.97. The money is being used for road building. Following are the bids:

Bell, Gouinlock & Co.	100.35
Wood, Gundy & Co.	100.21
Tom Farmer	100.15
A. E. Ames & Co.	100.15
Dyment, Anderson & Co.	100.107
Fry, Mills, Spence & Co.	100.007
Gairdner & Co.	99.857
C. H. Burgess & Co.	99.837
McLeod, Young, Weir & Co.	99.77

City of Sarnia

A syndicate composed of J. L. Graham & Co., McDonagh, Somers & Co., and C. H. Burgess & Co. were awarded the issue of $400,000 City of Sarnia, 5 per cent. 20-instalment debentures at 100.118. At this price the money is costing the city 4.985 per cent. The proceeds from the issue to be used for the construction of a new large grain elevator. The bids were:

J. L. Graham & Co., Burgess & Co., and McDonagh, Somers & Co.	100.118
Wood, Gundy & Co.	100.07
Dyment, Anderson & Co.	100.04
Bank of Montreal	99.87
Mead & Co.	99.81
Bank of Commerce and Bell, Gouinlock & Co.	99.703
Dominion Securities Corp.	99.57
A. E. Ames & Co.	99.52
Gairdner & Co.	99.378
Fry, Mills, Spence & Co.	99.177

BOND MOVEMENT OF THE WEEK

Week Ending September 13

Bonds	Int. Rate	Due	Yield	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	High	Low
Asbestos, gen. mtge.	6	1956	6.37	88¾	81¼	97⅞	88	95⅞	95⅛	95⅛	95
Can. Canners	6	1950	6.00	100	94	100¼	96½	100¼	99¾	100¼	100
Can. Cement	6	1929	5.54	103	100½	102¼	100	...	101¼	101¼	...
Mexican Power	5	1940	8.14	71	67	74	68⅝	74	73½	74	...
Mexican Elec.	5	1942	8.90	61½	52	67	60	68	67	67	...
Mont. Trams "A"	5	1955	5.20	95	92½	97⅛	94¼	97	96⅝	97	96⅝
Mont. Trams. 1st	5	1941	5.04	98½	93	99⅞	97⅞	99¾	99⅛	99½	...
Quebec Rly.	5	1939	4.94	100	92	100⅞	96	...	100⅛	100⅝	100⅝
Riordon Paper	6	1942	5.90	100½	100	101	101	...	101	101	...
Sao Paulo	5	1929	5.73	97⅛	95½	98	98	99	98	98	...
Wayagamack	6	1951	5.98	100⅝	90	100¼	97	100¼	100	100¼	...
War Loan	5	1931	4.55	102.40	100.35	102.00	100.75	....	101.50	101.85	100.90
Do.	5	1937	4.46	104.95	102.75	104.90	102.95	....	104.35	104.55	....
Victory Loan	5½	1927	4.90	102.50	100.15	101.70	99.85	100.25	100.10	100.15	99.85
Do.	5½	1933	4.57	106.35	103.20	105.55	105.30	105.40	105.10	105.55	105.30
Do.	5½	1934	4.90	104.40	102.65	104.10	102.80	103.55	103.30	103.65	103.30
Do.	5½	1937	4.45	109.30	106.70	109.00	106.85	....	108.25	109.00	108.60
Do., ren.	5½	1927	4.47	101.95	100.00	100.80	99.90	100.25	100.10	99.90	....
Do., ren.	5½	1932	4.90	103.90	102.00	103.55	101.85	102.75	102.50	102.75	....
Do., refund	5	1928	4.85	101.35	99.85	101.45	99.75	100.30	100.15	100.30	100.15
Do., refund	4½	1940	4.56	96.95	95.60	100.15	96.50	99.10	98.85	99.25	98.90
Do., refund	5	1943	4.69	102.80	101.10	103.90	102.30	103.65	103.35	103.50	103.30
Do., refund	4½	1944	4.58	97.15	95.70	100.10	96.60	99.25	99.00	99.35	99.30
Do., refund	4½	1946	4.55	96.90	95.65	100.30	96.70	....	99.40	99.80	....

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Sarnia	Sept.	J. E. Graham & Co., and Syndicate	5%	20-ins.	$400,000	100.118	4.98
Sioux Lookout	Sept.	Dyment, Anderson & Co.	5%	20-ins.	30,000	99.962	5.04
Moose Jaw	Sept.	Houston, Willoughby & Co.	5%	20-ins.	70,000	97.65	5.15
County of Lanark	Sept.	Bell, Gouinlock & Co.	5%	20-yr.	50,000	100.35	4.97
Dundas, Stormant & Glengarry	Sept.	Bell, Gouinlock & Co.	5%	20-yr.	65,000	100.31	4.97

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues—							
Port Alfred Pulp	Sept.	Wood Gundy & Co.	5½%	1957	$10,133,000	97	5.70
St. Maurice Valley Corp.	Sept.	Wood Gundy & Co.	5½%	1957	2,000,000	96½	5.75
Gatineau Power	Sept.	Harris, Forbes & Co., and Syndicate	5%	1956	18,500,000	97½	5.16
Creche of St. Vincent de Paul	Sept.	Bray, Caron & Dube	5%	20-ser.	210,000	100	—
Rev. Sisters of St. Jeanne d'Arc	Sept.	Bray, Caron & Dube	5%	20-ser.	125,000	100	—
Stock Issues—							
Asch, Ltd.	Sept.	Williams, Partridge & Rapley, and Syndicate (In units of 1 share pref. and ½ share no par value at $107.50 per unit.)	7%	Pref.	500,000	—	—
Malartic Gold Mines,	Sept.	Stobie, Forlong & Co.	—	—	—	—	—
Can. Bankstocks	Sept.	Ernst & Co., and Arnold Co., New York		(trust certif.)	—	$25	—
Goodyear Tire & Rubber	Sept.	A. E. Ames & Co., and Syndicate (Unsold balance)	7%	Pref.	2,000,000	—	6.83

We deal in—

C.P.R. 4½%..........1944
Bell Telephone 5%....1957
Quebec Power Co. 6%.1953
Quebec Rly. 5%.......1939
Wayagamack 6%......1951
Wayagamack 6½%....1930
Montreal Tramways 5% 1941
Montreal Tramways 5% 1955
Duke-Price Power 6%.1966
Manitoba Power 5½%.1951
Laurentide Power 5½% 1946
Montreal Power 5%....1951
United Securities 5½% 1952
Gatineau Power 5%...1956
Gatineau Power 6%...1941
Anticosti Corp. 6½%..1941
Anticosti Corp. 7% Preferred Shares.....
Canada Steamship 6%.1941
International Paper 6% 1941

At all times we are prepared to submit satisfactory bids for the purchase, in odd lots, of Canadian Government, Municipal and high-grade Corporation Bonds.

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Price: 97½ and interest to yield over 5.16%
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Bonds, a Good Investment

"Bonds, broadly speaking, are the safest security."
Arthur G. Davis, Investors' Protective Bureau, Chicago, in the American Magazine.

A bondholder is a preferred creditor.

His returns are not a matter of possible dividends, or speculative increases in value.

The holder of any United First Mortgage Bond holds these:

(a) The completely safeguarded legal obligation of the owner of a valuable property, secured by a pledge of that property, to repay at a certain date a certain principal sum of money.

(b) Coupons, payable semi-annually during the lifetime of such a bond, for the interest upon it at a stated rate.

No one of such payments of either interest or principal on United First Mortgage Bonds has ever been defaulted or deferred.

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2,000 shares 8% Cumulative Preferred Stock ($100 Par.)
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INVESTMENT BONDS
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Gatineau Power Company
First Mortgage Gold Bonds
5% Series, due 1956
Price: 97½ and interest to yield over 5.16%
Circular on request
HANSON BROS.
Founded 1883
Investment Securities
Montreal: 160 St. James St.
Toronto: 330 Bay Street
Ottawa: 63 Sparks Street

Canada's Council Seat Another Step Towards Separatism

British Lukewarm on Proposal But Preferred Canada to Irish Free State on League Executive

By JOHN A. STEVENSON.

OTTAWA. — There are interesting implications to Canada's control of a seat on the Council of the League of Nations. It marks the close of a discussion which has been in progress ever since the League took form in 1919 concerning the exact relations of the Dominions to the great international organization. There has been going on behind the scenes a constant struggle between the school of Imperialist thought which was strongly entrenched in Downing St. and wanted to preserve at all costs the organic unity of the Empire and the Dominion nationalists who were averse to any form of centralized control and wanted to see each Dominion free to plough its own furrow in the international field.

That Conference Memorandum

The struggle was begun when at the time of the Peace Conference all the Dominion premiers subscribed to an impressive memorandum about the position of their countries in relation to the peace settlement. Sir Robert Borden who was then premier of Canada, played a large part in drafting this memorandum and its most fundamental suggestion was that each set of British plenipotentiaries should sign for the nation they represented—the British for Great Britain, the Canadian for Canada, etc., the whole being included under the general heading of the British Empire. But Lloyd George and his colleagues, notably Lord Curzon, disliked this plan and, as the result of their objections an arrangement was made that the British Empire as a whole should become a member of the League and that the Dominions should also take out separate membership. The underlying idea of this plan was to demonstrate to the world that, while the Dominions could be members of the League, their membership would not affect the organic unity of the Empire. Sir Robert Borden also brought back from Paris a declaration signed by President Woodrow Wilson, Lloyd George and Clemenceau to the effect that the Dominions were eligible for election to the League Council. The Canadian Government has always asserted its right to act upon this declaration, and at the last Assembly Sir George Foster, who was the nominee of the short-lived government of Mr. Meighen, insisted that Canada's right to a seat in the Council had never been abandoned.

Britain is Not Listed

In the records of the League there is nothing to show that Great Britain is a member of the League. The British Empire, however, figures as a member and is entitled to one of the permanent seats in the Council. Hitherto the representatives of the British Empire have always been selected by the British Government and it has been a matter of uncertainty whether they represented only the government which selected them or all the communities included in the term "British Empire." Obviously if they fill the latter role no Dominion is entitled to direct representation. Various important spokesmen of Downing Street have at intervals asserted that the British representatives spoke on behalf of the whole Empire, and Sir Austen Chamberlain pointedly expressed this view last spring. But the Government of the Irish Free State have more than once r pudiated this claim and have tried without success to counter it by nominating a candidate for a seat on the Council. It is moreover, known that at the same time the Canadian Government privately expressed its dissent from the position taken by Sir Austen and it is presumed that the candidacy of Canada was designed to lay emphasis upon its attitude.

Position "Generally Unsatisfactory"

Admittedly the present position involved a certain amount of confusion and the Inter-Imperial Relations Committee of the late Imperial Conference, discussing the problem of the relation of the Empire to the League, asserted in its report, that the existing practice "tends to obscurity and misunderstanding and is generally unsatisfactory." It, moreover, embodied in its report a recommendation that henceforth in all diplomatic agreements relating to the League, the King should appear as the contracting party for the Empire with each unit expressing concurrence by the signature of its own plenipotentiaries. A corollary to this arrangement would be that Great Britain should hold membership in the League merely as one of the units of the Empire and her nominees should cease to speak for any Dominion. Last week it was a Liberal Government which asserted Canada's right to claim a seat upon the Council, but the Conservative party is not in a position to criticise its action, for Sir George Foster, the appointee of a Conservative Ministry, last September took exactly the same view.

Apart from the Ottawa Journal there has been practically no hostile press criticism of the government's new policy but on the other hand no important paper except the Manitoba Free Press has given it enthusiastic commendation. The Free Press has consistently supported all assertions of Canada's nationalist rights, which have been made since 1919 and the latest move is in its eyes a fresh step toward emancipation from the leading strings of Downing St. It gives its editorial blessing in the warmest terms and thinks that it will serve to end a certain confusion of thought and definition which "flows directly from the inability of the British Government at the time of the Peace Conference to keep up with the Dominions in their conception of their sudden elevation to international personality."

The Free Press holds that at that time Great Britain was as bewildered and annoyed by the attitude of the Dominions as a hen which having raised a flock of ducklings under the impression that they were chickens found them taking to the water. The ducklings in the view of the Free Press are now ready to fend for themselves and have no longer need of the hen's guardian care.

Discussed it With Baldwin

Presumably Premier King found an opportunity to discuss this question of Canada's claim to a seat on the League's Council with Premier Baldwin during his visit to our shores and in view of the cordial relations which apparently developed between them, it is unthinkable that the British Premier raised any strong objections to Canada's projected candidacy. It is, however, well known that the British Government was exceedingly averse to seeing the Irish Free State secure a seat upon the Council and exerted all its influence to prevent this outcome. It is also known that the Free State Government had not abandoned its aspirations and it is a reasonable surmise that, while Downing St. has little liking for any Dominion taking a seat upon the Council, it would prefer to see Canada or Australia secure one rather than the Irish Free State. So for this reason it probably waived all objections to our adventure, although manifesting no enthusiasm for it.

Leave Empire in Fragile Station

But the question must arise in the minds of all thinking Canadians — where are these adventures in diplomatic separation going to end? We have a separate Canadian Ministry at Washington and a United States minister is in residence at Ottawa and the special circumstances of our relations with the United States have secured general acceptance for these experiments. But at the banquet tendered to Hon. William Phillips, the new United States minister on July 2nd at Ottawa, Premier King expressed his belief that he was the harbinger of a flock of other diplomatic representatives of foreign powers and that Canada's own diplomatic service would undergo steady expansion. Putting this declaration by the side of our claim for a seat on the League Council, it is evidently the intention of the present Government to conduct its foreign policy in a watertight compartment and take its own road on international issues. Of course in theory a system of co-operative consultation with the other units of the Empire is maintained but the machinery, which is available to give it reality is very meagre and inadequate. Unless indeed this machinery is improved and perfected, confusion and trouble are sooner or later bound to develop. Some day Canada and Britain will find themselves at acute divergence upon some vital issue of foreign policy and the basic structure of the Imperial fabric may suffer a shock from which recovery will be difficult. In recent years a good deal of tearing down of this fabric has been accomplished and there has been so little new construction that it is being left to-day in a very fragile state.

British Investment Trusts Invade World

This map was published by one of the leading British investment trusts. It shows, by circles, the different areas where the trust has funds invested. It will be observed that the trust has taken the whole world as its province and has diversified its investments geographically to a remarkable degree. If the trust could invest money elsewhere in the solar system it would probably do so to insure against loss from the dissolution of the Earth itself.

Canadian investment trusts can hardly hope to achieve the same degree of geographical distribution of their funds for some years to come. Nor is it necessery that they should do so.

Child Welfare and Migration Linked in Fairbridge Effort

MANY excellent agencies exist for promoting immigration to and settlement in Canada. With this preliminary word of recognition for societies at home, let us turn to admire at a distance the exceedingly effective work of the Child Emigration Society and its affiliated Fairbridge Farm School in Western Australia.

The Child Emigration Society fulfills two high ambitions in one effort. It rescues poor children from the slums of London and gives them a chance in life; and it promotes migration in the Empire by sending these children for training to a wonderful modern farm in one of the Great Dominions.

Kingsley Fairbridge, first Rhodesian Rhodes scholar to Oxford, a young man of the most sensitive instincts and the highest ideals, founded the society, which has now far outgrown the early shillings of the few Oxford undergraduates who gave it its start. Fairbridge died three years ago but his ideal is cherished by a faithful group in Britain who carry on his work. Annual contributions from the public are supplemented by grants from the Overseas Settlement Board, enabling some hundreds of boys and girls every year to be taken from the streets of London to Australia. There a fine farm school, representing a £40,000 investment and covering thousands of acres, gives them training that will enable them to make their way in the agricultural world of Australia. The Australian Government and the various states contribute to this work by per capita grants.

The Fairbridge achievement is proof that immigration is more than a matter of governmental economy. This has been shown in Canada as well as in the fine work of the Salvation Army, the Dr. Barnardo's homes and certain church organizations in combining a social effort with the economic effort of promoting immigration and settlement.

Tourist Traffic Heavier

Traffic of out-of-state automobiles through Vermont into Canada is between 30 and 40 per cent. greater than last year, according to the United States Custom's headquarters at St. Alban's, Vermont. Passengers to the number of 1,104,993 have passed through the Vermont district in the last three months.

Say National Breweries Stock to Sell Near 100 Soon

From Our Own Correspondent.

MONTREAL.—The Montreal stock exchange firm of Flood, Potter and Company feel that the earnings of the National Breweries to date this year are already in excess of the figures for the full 1926 year. A circular issued by the firm gives an analysis of the company and says in part:

"The beer situation in Quebec is such that a repetition of either a trade war or restrictive legislation is unlikely. The leading breweries are doing better business in the province than ever and earnings are said to have exceeded those of the whole of 1926. The most profitable period of the year is now in sight and those close to the situation predict earnings which should make the common stock worth nearer 100 than its present figure of 78.

"Recent buying has been for strong hands and there is every indication, and this has not been without a close study of the earning position of the company. We believe that before very long 'Beer' will be selling at a higher figure than the present 78, and because of this, and our knowledge of the company's past record, we recommend its purchase now."

Canada exported 251,000,000 bushels of wheat, 9,000,000 barrels wheat flour during the year to July 31.

Herbert Tareyton London Cigarettes
"There's something about them you'll like"

For your Pipe Herbert Tareyton London SMOKING MIXTURE
T41

EXECUTORS, TRUSTEES, ADMINISTRATORS
Guardians, Transfer Agents, Bond Mortgage Trustees
Savings Department
Real Estate Department
CHARTERED TRUST & Executor Company
46 King St. W., Toronto

New Low Price for Extension Telephones

A TELEPHONE on every desk is far less expensive than adding even one junior to your staff — and more effective.

Hundreds of business men will order in September one or more extension telephones — at about the cost of a daily newspaper — to properly equip some members of their staff for more intensive work this Fall.

A telephone to our Manager will be sufficient.

THE BELL TELEPHONE CO. OF CANADA

Private Wire Connection to New York, Chicago, Winnipeg, Montreal, Toronto and Vancouver.
G. F. TULL & ARDERN
LIMITED
STOCK, BOND, GRAIN and FINANCIAL BROKERS
LANCASTER BUILDING
CALGARY, Alberta

Building Business

IF you have an established business whose sound progress gives you faith in its future, this Bank will gladly offer every reasonable assistance in furthering its development.

The policy of The Bank of Toronto is to co-operate with ability and energy, to erect the scaffolding which enables you to complete your building; to get behind you with the financial resources that will make your business the big success you see for it.

Long years of co-operation in the development of industries has given the Bank of Toronto that sympathetic insight into business problems which makes it easy for you to present your case, because you know that if it is good the verdict will be favorable.

Talk your problem over with your nearest Bank of Toronto Branch Manager.

THE BANK OF TORONTO
269A

Consider the Opportunities Offering Here For Plant Expansion

NO MANUFACTURER who is considering actual or possible plant location or the extension of plant should fail to consider what Orillia has to offer.

Orillia is an attractively located progressive and forward looking town that has special inducement to offer to manufacturers.

The progressiveness of the town is perhaps best evidenced by the fact that in the early days of hydro-electric energy the town developed its own source of supply. This development has since been enlarged and entirely modernized. This municipally-owned plant delivers power at a lower rate for actually available power than is offered by any other locality in the Province of Ontario that is noted for its cheap power.

This is undoubtedly a factor that will interest any manufacturer. He can buy power for his plant on a 24-hour service basis for $16.15 per h.p. per annum, and for a 10-hour service at $11.90 per h.p. per annum. Factory lighting is offered on a basis of 85 cents per 60-watt lamp per annum.

In addition to cheap power, Orillia offers cheap plant sites. Many of these sites are already served by the town water and sewerage and supplied with railroad sidings. Both Canadian National and Canadian Pacific Railways enter the town, and interswitching privileges are available between the two lines. Supplementing the splendid railway service is a network of roads. Two provincial highways pass through the town, giving direct communication by truck with Toronto and other sections.

Labor is plentiful and settled. There has been practically no labor disturbance in Orillia in its history. Its laborers are contented. Eighty-five per cent. of them own their own homes.

The town of Orillia is prepared to offer every assistance and inducement to manufacturers who consider making Orillia their manufacturing home. In addition to the advantages already enumerated, the town council will grant a fixed assessment, at a reasonable rate, for a period of years.

ORILLIA
Additional information will be gladly supplied on application to
R. H. STARR
INDUSTRIAL COMMISSIONER
ORILLIA, ONT.

Canadian Taxes Take 18.26% of Production

Taxation in 1925 consumed 18.26 per cent. of Canada's total net production, says the Citizens Research Institute of Canada.

Total net production, which embraces agriculture, manufacturing, fisheries, forests, mines, electric power, etc., and eliminates duplication of material used in the production process as far as possible, amounted to $3,325,115,594 in 1925, according to the Dominion Bureau of Statistics. Total taxation in Canada—Dominion, provincial and municipal — in 1925 was $607,329,682. Taxation, therefore, consumed in that year 18.26 per cent. of the total net production, compared with 18.6 per cent. in 1924, 19.7 per cent. in 1923, and 20 per cent. in 1922. "The continuation of this downward trend augurs well for Canada's future," says the Institute, in a report which continues:

Brought About by Increased Production

"The table given below shows that the lowering of the percentage of net production taken by taxation in the period 1922-1925 has been brought about rather by increased production than by decreased taxation. It is interesting to note that when taxation increased in 1923 over 1922, production dropped in the following year, 1924, as compared with 1923, and conversely that following the big drop in taxation in 1924 compared with 1923, the following year saw a large increase in production. These changes may, or may not, be due to the working out of cause and effect, but it seems reasonable to believe that decreased taxation should stimulate production.

Year	Total Net Product'n.	% Incr. over 1922	Total Taxation	% Incr. over 1922
1922	$2,939,313,953	...	$589,628,957	...
1923	3,051,456,821	3.8	600,487,272	1.8
1924	3,018,182,081	2.7	560,464,540	5.0x
1925	3,325,115,594	13.1	607,329,682	3.0

xDecrease.

Due Largely to Dominion

"In the following table it will be seen that with the exception of a slight decrease in provincial taxation in 1923, the trend of both provincial and municipal taxation in the period 1922-1925 has been distinctly upward, the total municipal taxation in Canada in 1925 being 6.9 per cent. higher than in 1922, and the total provincial taxation having increased 24.0 per cent. during a similar period. In fairness it must be stated that not all the provinces followed the general tendency. For instance, on the basis used in these calculations the total amount of municipal taxation in the province of Saskatchewan was about $1,300,000 less in 1925 than in 1922, in Manitoba the total was about $600,000, and in British Columbia about $60,000 less. All the other provinces showed increases, Ontario having the greatest with about $9,000,000 more in 1925 than in 1922. It would seem from present indications that little further recession can be looked for in totals of municipal taxation. It should be remembered, however, that the above figures are totals and do not take into consideration any growth in population.

"Provincial taxation, during the period 1922-1925, has increased in total amounts in every province, with the exception of Prince Edward Island, which has had a slight decrease. The taking on of added activities and large expenditures on highways are some of the main reasons for these increases which show no signs of diminution.

TAXES LEVIED

Year	Dominion Amount	Dominion % Increase over 1922	Provincial Amount	Provincial % Increase over 1922	Municipal Amount	Municipal % Increase over 1922
1922	$335,453,341	...	$47,342,405	...	$206,833,211	...
1923	341,718,807	1.9	46,858,035	1.0x	211,910,430	2.4
1924	293,914,518	12.4x	51,012,186	7.7	215,537,836	4.2
1925	327,575,012	2.3x	58,682,610	24.0	221,072,060	6.9

xDecrease.

Relation of Local Taxation

"While the relation of total taxation in the country to total net production is of value particularly in determing the general trend and for the purpose of comparison with other countries, the relation of total taxation in any province to the net production of that province is important so far as it indicates the position of the province as compared with the other provinces in the Dominion. Since the institute has, up to the present time, been unable to satisfy itself as to a fair method of allocating the Dominion taxation to the various provinces it is presumed that this is spread equally and thus does not in any way affect the relative position of the provinces. For the purposes of comparison of the provinces, therefore, only local taxation (i.e., municipal plus provincial) is taken into consideration. The table below gives the total amounts for 1925 as well as the percentage which local taxation forms of net production in each instance and the comparative percentages for 1924 and 1923.

Province	Local Taxation	Net Production	% Taxation was of Net Production 1925	1924	1923
British Columbia	$23,986,423	$260,941,481	9.2	10.0	9.9
Alberta	19,442,069	257,040,994	7.6	8.2	7.7
Saskatchewan	26,906,637	360,433,859	7.5	11.5	9.7
Manitoba	21,495,568	181,977,811	11.8	10.7	17.2
Ontario	118,381,444	1,259,737,138	9.4	9.1	8.7
Quebec	56,729,060xx	795,993,531	7.1	7.4	6.8
New Brunswick	4,770,491x	87,097,614	5.5	5.7	5.3
Nova Scotia	7,546,985	94,826,633	7.9	8.0	6.8
Prince Edward Island	495,993x	23,110,406	2.1	2.7	2.6
Yukon	....	3,956,127	...	...	...

xFigures low as not all municipal taxation was known to the Institute.
xxThis figure may be slightly excessive as in many cases ordinary receipt figures had to be taken instead of those for taxation.

Some Good, Some Bad Oil Royalty Securities

Oil royalty investments have lately been seized upon by promoters with the result that uninformed individuals are in danger of being misled if they do not first take the trouble to investigate, according to a bulletin of the National Better Business Bureau.

An oil royalty is the fee or other consideration paid by an oil producing company to the landowner for the privilege of drilling on his property. The oil company, of course, may lease the land or buy it outright, and often it does the latter in outlying districts. Usually, however, it becomes necessary and more desirable in areas made up of small farms to grant the owner a one-eighth interest in any oil production that results from the drilling, the oil company to pay all expenses in connection therewith.

Banks Loaned at First

Banks in the oil regions were willing to loan money to owners of such interests or royalties. The royalties were duly assigned and recorded very much like deeds. As a natural outgrowth of this practice, royalty companies developed; they paid the landowner cash for his royalties and held them for their shareholders. Thence it was but a step toward the present condition, whereby the royalty company issues securities of various types against its pooled royalty holdings.

The situation is made doubly serious, in the opinion of the bureau, by the fact that oil royalty companies, of various shades of respectability, permit or encourage the investor to think that certain of the larger and more responsible oil companies are associated with them. This leads to confusion of thought that may be damaging to the investor and is by no means without the possibility of harm to the companies themselves. Among the reputable producing companies named by questionable royalty projects are: Standard companies, Marland, Carter, Sinclair, Pure Oil, Roxana, Texas and Magnolia.

Varied degrees of success naturally have attended the growth of oil royalty companies, but, since the incompetent and unscrupulous naturally stress the same selling arguments as the conservative and efficient, proper appraisal by the investor is often no easy matter.

Certain fundamental points are important and neglect in self-satisfaction thereon by the investor is inexcusable. The assets of royalty companies comprise rights that are constantly shrinking in value; reserve funds set up to meet this depletion are possibly the principal factor in determining success or failure.

All degrees of conservatism in operating policy are encountered. Some companies specialize in new, unsurveyed and non-producing areas; others will touch nothing but producing properties. Some hold to an elaborate investment schedule, dividing their funds in definite proportions between proved and speculative fields. Some maintain skilled analytical staffs to select properties; others would find them embarrassing and confine their activities to exhausted wells. One company laudably sets aside 2 per cent. of its gross royalty receipts for the purchase of new interests and amortization of old ones.

Here are some of the essentials upon which prospective investors should be completely informed:

List of holdings, location, amount paid therefor;

Percentage of producing and non-producing areas;

Estimated life of holdings, and authority of such estimates;

Identity and standing of drilling companies;

Method of selecting and evaluating properties;

Trust agreement, if any, control of funds, and shareholders' rights;

Calibre of management.

Mount Royal Hotel Has Had Profitable Season

From Our Own Correspondent

MONTREAL.—Earnings of the Mount Royal Hotel for the current year will probably be materially in excess of 1926. The hotel has maintained a high rate of occupancy throughout the entire summer, and the demand for rooms has been so great and is still so satisfactory that the company has been able to charge a larger rate per day. The outlook for the closing months of the year is better than that of a year ago, and as a consequence the net profits applicable to the common stock should show a very satisfactory increase, as compared with the corresponding figures of last year.

Western Investments

Those who have investments in British Columbia, with which they are not familiar, may write to us for independent reports or valuations.

Our organization covers every section of the province.

Pemberton & Son
Vancouver Limited
418 HOWE STREET
Vancouver, Canada

A Belt for Every Purpose
Pulleys—Saws—Mill Supplies
N. Smith Belting Works
138 York St., Toronto

DO YOU VALUE RELIABLE INFORMATION?

Over $9,500,000 in cash was paid as dividends by the gold and silver mines of Ontario last year.

DID YOU GET YOUR SHARE?

Two years ago we advised the purchase of Teck-Hughes at $1.35. Now the mine has entered the dividend paying stage and the stock is selling above $7.50.

At the present time, we strongly recommend a LISTED stock, representing a WORKING property and selling right now below TEN CENTS, which we certainly believe has a brilliant chance to make good.

If you are interested in mining, and would like to know what this stock is, and why we recommend it, write your name and address on a post card, and mail it to us.

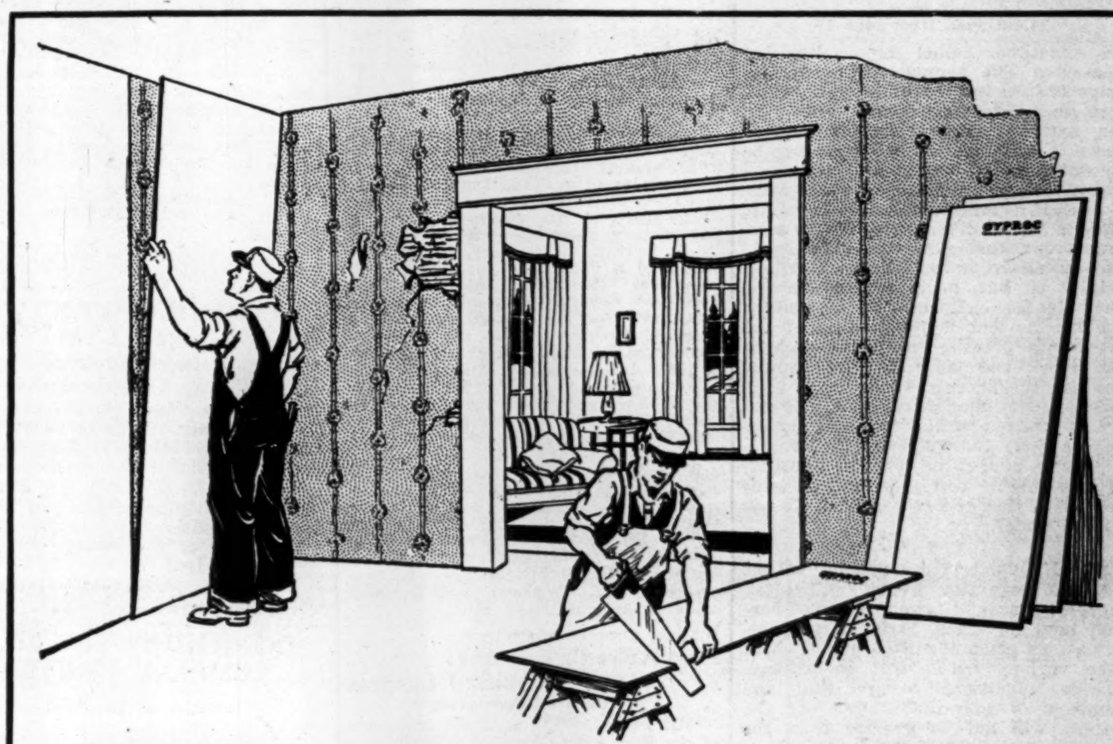
This does not obligate you to us in any way. On listed and unlisted securities our means of obtaining the most reliable information assures you of that protection which conservative investors appreciate.

PRUDENTIAL SECURITIES CO.
411 METROPOLITAN BLDG. TORONTO
Phone Elgin 0179-0170

Lougheed & Taylor, Limited
Calgary, Canada

Bond, Insurance, Estates, Farm Lands, Appraisals

We are well informed on the oil situation.



Make Old Rooms New
Easily and Economically

IN many homes are rooms where the walls are damaged, the wallpaper torn and faded. These rooms, drab and unattractive, can be made new and beautiful by nailing Gyproc right over the old walls and ceilings.

Quickly, without muss, at surprisingly little expense you can make every room in the house fresh, cheerful and infinitely more comfortable. Surplus space can be partitioned off into a new room—the attic can be made into extra sleeping quarters or a children's playroom.

For all remodeling Gyproc is the ideal wallboard. Makes your home modern, more attractive, more valuable.

Gyproc is heat, cold and sound resisting. It saves fuel. It is fireproof. Takes any decoration. For remodeling and new construction no other wallboard can compare.

FREE BOOKLET

Write us for illustrated booklet "My Home" which gives interesting information on the uses of Gyproc, Rocboard Gypsum Insulating Sheathing and Insulex—or see any of the reliable dealers listed below.

"GYPSUM-IZE" your buildings large and small

Every building should be Gypsum-ized. Rocboard Gypsum sheathing, Insulex insulation and Gyproc Fireproof Wallboard will make your buildings cold-proof, heat-proof, fireproof and increase their re-sale value by 20 to 40%.

THE ONTARIO GYPSUM CO., LIMITED PARIS, CANADA

On the T. & N.O. and Rouyn lines
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GEO. TAYLOR HARDWARE LTD.
are our agents, but Gyproc can be secured from any good builder's supply dealer in any city, town or village.

GYPROC
Fireproof Wallboard

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Summer Gladness All The Year

The joyousness of June pervades the home where a Lord & Burnham glass garden is installed, Summer breathes its message through the changing seasons—her blooms nod welcome to blustering fall and winter.

Lord & Burnham have provided Summer for sixty Winters. Each Lord Burnham glass garden is a masterpiece of the craftsman's art, designed to harmonize with its architectural setting.

Lord & Burnham Glass Gardens are made in all sizes, styles and prices. Write for our illustrated literature.

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FLAVELLE GOES ON CANADIAN MARCONI BOARD

From Our Own Correspondent

MONTREAL.—The announcement that Sir Joseph Flavelle has been invited to, and has agreed to join and become chairman of the board of the Canadian Marconi Company comes as welcome news to investors who have waited long for some return on their investment in the company. The addition to the board of such a keen business leader as Sir Joseph Flavelle will materially better the position of the company.

The majority of the common shares of the Canadian Marconi Company have been purchased by Lazard Brothers & Company, the London investment firm. The control of the Canadian company was formerly held by the British Marconi Company which, together with the Radio Corporation of America will take a substantial interest in the holding company which is to be formed to control the Canadian Marconi.

In order to ensure that the company will be controlled by British interests, the Lazard firm is to control the undertaking and is forming a voting trust.

Some betterment in the position of the Canadian Marconi Company is evidenced in the annual report covering the 1926 year. As usual, the company does not include in its annual report a statement of its profit and loss account, but the net profits for the year amounting to $24,363 are shown in the surplus account, which, by the addition of this sum, now stands at $62,347, as compared with $37,984 last year.

NATION'S BUSINESS

(Continued from page 1)

is sometimes called the Coolidge of Canada. The people of Canada appear to have more confidence in "Honest Jim" Robb than in any other man in national life. What manner of man is he? He is not an orator; he is not a great intellectual nor a cultured college graduate; he is not what is called a parliamentarian, he would fail if he tried to use words to misrepresent facts; he probably could not recall what the Liberal platform really is; but, he is honest, sincere, and creates confidence; he has ability; he has a clear understanding of the country's pressing problems because he has lived close to the people; he has the courage to do what is in the national interest regardless of sectional calls; and the tact and geniality to carry the country with him.

Such a man is the type the Conservatives might well seek within their ranks to find and to establish as national leader.

* * *

THE Quebec Government, within the next few weeks, will offer several thousand square miles of forest land for lease. Strict cutting regulations are a condition under which the various tracts will be offered. These conditions assure that the amount of pulpwood taken off the limits will not be greater than the annual increment of the forests. Thus the provincial government is endeavoring to provide a perpetual yield from its forest lands.

In addition, it is learned that the government will follow the programme laid down by the legislature last year, namely that these limits will be offered to pulp and paper mills already in existence.

Policies such as these will benefit both the pulpwood operators and the public. The public will be safeguarded through the protection of their forests and by the protection of their huge investment in the Canadian pulp and paper industry. The industry itself will also benefit. No encouragement will be given to the erection of new mills which would only serve to endanger the operations of the present needs by further augmenting the supply of pulp and paper; a supply which even now exceeds the demand. Governmental policies such as these deserve the fullest measure of support.

FOREIGN EXCHANGES

Higher Premium Canadian Funds

Canadian funds touched a new high mark during the week, selling at a premium 3-64 to 1-8th. Commercial transactions have increased in volume, largely on account of the movement of the new crop. American demand for grain has not yet reached its peak and further strength in Canadian currency should take place in the weeks just ahead.

Rates on foreign exchanges were steady and in some instances showed signs of strength. Sterling was the leader, rising to a new year's high. No definite reasons are advanced for this move but, in some quarters, it is believed the higher trend is discounting a higher Bank of England rate some time this fall. Commercial offerings have not been instrumental in adding strength to Sterling.

NEW YORK FUNDS

	High (Discount)	Low (Discount)	Last Year High (Discount)	Last Year Low (Discount)
Sept. 15	1-32	1-32	1-8	9-64
Sept. 16	1-64	1-32	1-8	9-64
Sept. 17	1-32	1-32	1-8	9-64
Sept. 19	1-32	1-16	9-64	5-32
Sept. 20	1-16	7-64	9-64	5-32
Sept. 21	7-64	9-64	9-64	5-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Sept. 15	4.86	3.91 15/16	5.44½
Sept. 16	4.86⅛	3.92	5.44½
Sept. 17	4.86⅛	3.92 1/16	5.44¾
Sept. 19	4.86 7/32	3.92⅛	5.44¾
Sept. 20	4.86 7/32	3.92⅛	5.45
Sept. 21	4.86 1/16	3.92⅛	5.44¾

FOREIGN EXCHANGE

Par		Sept. 14	Sept. 21
13.90	Italian	5.44½	5.44¼
23.82	German	23.79	23.78
19.30	Belgian	13.93	13.91
84.85	Japan	47.00	46.45

Banquet Cameron, Retiring from Hamilton Provident

D. M. Cameron, who for many years was general manager of the Hamilton Provident and Loan Corporation, was guest of honor at a dinner arranged for him by officers of the Huron & Erie Mortgage Corporation this week in Hamilton.

In addition to the Hamilton staff, and Major-General S. C. Mewburn, George Hope, Stanley Mills, and Col. H. S. Roberts, representing the Hamilton directors, five officers from the head office of the Huron & Erie Mortgage Corporation were in attendance—Hume Cronyn, D. McEachern, G. L. Spry, G. M. Metcalfe and R. H. Cronyn.

General Mewburn, chairman, and President Cronyn, paid tribute to Mr. Cameron's sterling qualities and long years of faithful service. Mr. Cameron had joined the Hamilton Provident staff in 1881. It must afford him, they said, a great deal of satisfaction to have served one institution for forty-seven years, and he was now entitled to a rest from his labors, substantially pensioned for the remainder of his life.

W. A. Stewart, assistant manager, who was formally announced as Mr. Cameron's successor, said that it had been a pleasure to work with Mr. Cameron for forty years for the success of the Hamilton Provident Corporation. On behalf of the staff and officers, Mr. Stewart presented Mr. Cameron with a gold-mounted umbrella and cane.

Port Alfred's Earnings Have Increased Largely

From Our Own Correspondent

MONTREAL.—The earnings statement of the Port Alfred Pulp and Paper Corporation, published in connection with the corporation's new issue of bonds, is significant. For the first eight months of the current year earnings applicable to interest, depreciation and depletion, amounted to $2,523,555 per annum. This is indeed a large increase in earnings, for the 1926 statement of the company showed a corresponding figure of only $1,260,930. The reason for the large increase, of course, is the fact that early this year the corporation placed the last two of its four new newsprint machines in operation.

Industrial Alcohol May Acquire Scotch Company

From Our Own Correspondent

MONTREAL.—Investors are awaiting with interest the next meeting of the directors of the Canadian Industrial Alcohol Company, as present reports indicate the purchase of the John McNish Whiskey Company by the Canadian company. The McNish company has nearly a hundred years successful record behind it, and has developed an extensive and valuable business. Its brand, "Doctor's Special," is a favorite, particularly on the Continent.

It is rumored that Canadian Industrial Alcohol will finance the proposed purchase by issuing $4,500,000 of 6 per cent. debenture stock redeemable at 100, and that the shareholders will be offered the right to subscribe to the new issue at an attractive price. Further interesting developments touching the company may, so it is reported, take place before the end of the year.

National Grocers Re-elects Board of Directors

At the annual shareholders' meeting of National Grocers Co., September 19th, the following were elected directors:

Hugh Blain, R. A. Daly, Archie Foster, the Hon. George Gordon, J. Frank Grimes, W. H. Kenny, M. D. Lemon, A. J. Major, John Medland, H. D. Whitehouse and Marland Woolnough.

These officers were elected: Archie Foster, president and general manager; Marland Woolnough, chairman of the board; John Medland, vice-president; A. C. Pyke, secretary-treasurer; S. M. Kennedy, comptroller.

Asbestos Corporation is Erecting New Mill

From Our Own Correspondent

MONTREAL.—The Asbestos Corporation has awarded the contract for a new asbestos mill which will handle the output of its Beaver and Consolidated Mines. It is understood that the cost of the new mill will be paid for from earnings. This took place when the company expanded the capacity of King's mill. It is anticipated that the new plant will be in operation early next year, and that its completion will mean a reduction in the corporation's operating costs.

Rumors indicate that the months of July and August were the best two months in the history of the present company. Prices of asbestos are stronger and the outlook for the corporation is generally regarded as satisfactory.

ST. MAURICE MEET

MONTREAL.—Shareholders of the St. Maurice Valley Corporation will meet on October 10 to convert 12,000 shares of preferred stock at $100 par value into 240,000 shares of $5 par value, and to increase the number of directors from nine to twelve. The preferred stock which is to be converted into $5 par value is, of course, still in the treasury. The change indicates that perhaps in future St. Maurice Valley preferred shares may be offered on the London market.

RAILWAY EARNINGS

Week end. Sept. 14	1927	1926	Changes
C. P. R.	$3,557,000	$3,822,000	—$265,000
C. N. R.	4,847,715	4,891,717	— 44,002

DOMINION TEXTILE COMPANY LIMITED

Notice of Dividend

A Dividend of One Dollar and Twenty-Five Cents ($1.25) per share on the Common Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending September 30th, 1927, payable 1st October, to shareholders of record September 15th.

By Order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, August 30th, 1927.

DOMINION TEXTILE COMPANY LIMITED

Notice of Dividend

A Dividend of one and three-quarter per cent. (1¾%) on the Preferred Stock of Dominion Textile Company, Limited, has been declared for the quarter ending September 30th, 1927, payable October 15th, to shareholders of record September 30th.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, August 30th, 1927.

NATIONAL GROCERS COMPANY, LIMITED

TORONTO

DIVIDEND No. 8

Notice is hereby given that a Dividend of Two per cent. being at the rate of Eight per cent. per annum upon the First Preference Stock of this Company has been declared payable October 1st for quarter ending September 30th, 1927, to Shareholders of record at the close of business September 19th, 1927, and that the Transfer Books of the Company be closed as to the Transfer of First Preference Shares on the 20th day of September, 1927, to the 30th day of September, 1927, both days inclusive.

By order of the Board of Directors.
A. C. PYKE,
Secretary-Treasurer.

The Shawinigan Water and Power Company

To: The holders of the Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds of the above named Company, due January 1, 1934, secured by Trust Deed dated June 14th, 1904, in favour of The Royal Trust Company, Trustee.

NOTICE is hereby given that in the exercise of the power reserved to it under the provisions of the said Trust Deed, the undersigned Company will, on the first day of January, 1928, redeem all of its Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds, which may be then outstanding, by payment of the principal thereof with a premium of ten per cent. (10%) thereon and accrued interest to the said first day of January, 1928, at the principal office of the Bank of Montreal, in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at the option of the holder or bearer.

Holders of said Bonds are accordingly required to present their Bonds, together with all unmatured coupons attached, for redemption, on the aforesaid date, from and after which said Bonds will cease to bear interest.

Dated at Montreal, Canada, this 12th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
Jas. Wilson,
Secretary.

BACK RIVER PLANT WORK COMMENCES

First Tenders Awarded by Montreal Island Power Company

From Our Own Correspondent

MONTREAL.—Construction work on the hydro-electric plant of the Montreal Island Power Company will begin shortly. Plans and specifications for the construction of the plant have been completed by the engineers, and placed in the hands of tendering firms. The tenders themselves are to be returned in a few days, and it is anticipated that contracts will be awarded immediately.

A contract for the construction of a railway necessary for the general purposes of the plant's development has already been awarded to the Foundation Company of Canada.

The plans submitted for tender, call for the construction of a plant capable of developing 65,000 horsepower of a continuous 24 hour service. The delivery of 48,000 horsepower is called for by the end of 1929, with provision for increasing the capacity to the maximum at minimum cost as required. The tenders for the 48,000 h.p. turbines call for units of either six of 8,000 h.p. each, or four of 12,000 h.p. each. The tenders will be submitted shortly.

HOLT RENFREW & CO. LIMITED

Dividend Notice on Preferred Stock

Notice is hereby given that Dividend No. 33, amounting to 1¾% on the Preferred Shares of the Company, has been declared payable on the 1st day of October, 1927, to shareholders of record at the close of business on the 28th day of September, 1927.

By order of the Board.
R. B. LINDSAY,
Secretary-Treasurer.

Montreal, September 20th, 1927.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 11

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending September 30th, 1927, payable October 15th, 1927, to shareholders of record at the close of business September 30th, 1927.

By order of the Board,
L. C. HASKELL, Secretary.

July 22nd, 1927.

CANADIAN WOOLLENS LIMITED

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Eighth Annual General Meeting of the Shareholders of Canadian Woollens, Limited, will be held at the Head Office of the Company, McDonnel Street, Peterborough, Ontario, on Tuesday, the Eleventh (11th) day of October, 1927, at the hour of 1.30 o'clock in the afternoon (Standard Time), for the purpose of receiving the report of the Directors for the past year, for the election of Directors, for the appointment of Auditors, and to transact such other business as may be properly brought before the meeting.

Dated at Peterborough, the 16th day of September, 1927.

W. TINKER,
Secretary-Treasurer.

THE MOUNT ROYAL HOTEL COMPANY LIMITED

Notice is hereby given that a dividend of one and one-half per cent. (1½%) for the three months ending September 30th, 1927, being at the rate of 6% per annum on the preference stock of the Company, has been declared payable October 1st, 1927, to shareholders of record at the close of business on the 24th day of September, 1927.

By Order of the Board,
D. H. McDOUGALL,
Secretary.

Montreal, Sept. 20th, 1927.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a Dividend of two and one-half per cent., being at the rate of ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on and after

1st October, 1927,

to Shareholders of record on the books of the Company at the close of business on the 15th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent. upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th September, 1927, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 1st day of October, 1927, to shareholders of record of the 20th September, 1927.

By order of the Board.
C. A. BOGERT,
General Manager.

Toronto, 25th August, 1927.

THE SHERWIN - WILLIAMS COMPANY, OF CANADA, LIMITED

Notice is hereby given that the sixty-fifth quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum for quarter ending August 31st, 1927, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of September, 1927, and that cheques will be mailed September 30th, 1927.

Books not closed.

By order of the Board,
D. A. WHITTAKER,
Vice-Pres. and Sec'y-Treas.

Montreal, September 8th, 1927.

THE SHERWIN - WILLIAMS COMPANY, OF CANADA, LIMITED

Notice is hereby given that the twenty-eighth quarterly dividend of one and a half per cent. (1½%) for the quarter ending August 31st, 1927, on the Common Stock of the Company has been declared payable to shareholders of record the 15th day of September, 1927, and that cheques will be mailed September 30th, 1927.

Books not closed.

By order of the Board,
D. A. WHITTAKER,
Vice-Pres. and Sec'y-Treas.

Montreal, September 8th, 1927.

CATHOLIC SCHOOL COMMISSION of MONTREAL

$2,200,000.00 5%, 35 Year Bonds — Due October 1st, 1962

Notice is hereby given that sealed bids addressed to the undersigned, the General Secretary and Treasurer of the Catholic School Commission of Montreal will be received at his office, in Montreal, No. 87 St. Catherine Street West, up to three o'clock, Tuesday, October 4th, 1927, for the purchase of two million two hundred thousand dollars ($2,200,000.00) of bonds of the Catholic School Commission of Montreal, bearing interest at a rate of five per cent. (5%) per year, dated October 1st, 1927, and payable in gold, in thirty-five (35) years, October 1st, 1962. And the principal and the interest shall be payable in gold at la Banque Canadienne Nationale, in the cities of Montreal and Quebec. This loan is authorized in virtue of laws 15, George V, chapter 43 and 16 George V, chapter 46, and the bonds shall be countersigned by the Treasurer of the City of Montreal, according to these laws and to the law 54 Victoria, chapter 53. The bonds shall be bilingual and shall be issued in denominations of hundred, five hundred and thousand dollars each ($100.00, $500.00 and $1,000.00).

The interest shall be payable half-yearly, April 1st and October 1st of each year.

Each bid shall be accompanied by a certified cheque payable to the Catholic School Commission of Montreal, for an amount equal to one per cent. (1%) of the total amount of the loan. The cheque of the bidder whose tender is accepted will be refunded to him after his contract has been executed.

The accrued interest on the bonds shall be added to the price offered at time of delivery.

The highest or any tender not necessarily accepted.

The bids will be opened at a public meeting of the Catholic School Commission of Montreal, at the head office of the Commission, in Montreal, No. 87 St. Catherine Street West, on Tuesday, fourth day of October, 1927, at three o'clock in the afternoon.

AYME LAFONTAINE,
GENERAL SECRETARY AND TREASURER
of the Catholic School Commission of Montreal.

Office of the General Secretary and Treasurer, 87 St. Catherine Street West, Montreal, September 15th, 1927.

FOR AFRICA

One returning to South Africa in the near future would like to come in touch with a good manufacturing line, suitable and that would be a good seller in that country.

Box 116,
THE FINANCIAL POST,
Toronto, Ont.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable October 1st, 1927, to Shareholders of record as at close of business September 15th, 1927.

(Signed) W. S. BARBER,
Secretary.

Canadian Pacific Railway Co.

DIVIDEND NOTICE

At a meeting of the Board of Directors held to-day the following dividends were declared:

On the Preference Stock, two per cent. for the half-year ended 30th June last;

On the Common Stock, two and one-half per cent. for the quarter ended 30th June last from railway revenues and Special Income;

Both dividends are payable 1st October next to Stockholders of record at three p.m. on 1st September next.

By order of the Board,
ERNEST ALEXANDER,
Secretary.

Montreal, 5th August, 1927.

TENDERS For Debentures

Sealed tenders addressed to the undersigned and marked "tenders for debentures" will be received until 12 o'clock noon, Tuesday, Oct. 11, 1927, for the purchase of $30,000.00 County of Peel debentures, being 5% interest payable in ten equal annual instalments as to principal and interest issued under the authority of by-law No. 682 to meet the estimated expenditure for the construction and maintenance of highways under the Highways Improvement Act.

W. M. WILLIS,
County Clerk,
Brampton, Ont.

Laurentide Company Limited

DIVIDEND NOTICE

A Dividend of one and one-half per cent. (1½%) has this day been declared upon the Capital Stock of this Company for the quarter ending September 30th, 1927, payable Monday, October 3rd, 1927, to Shareholders of record at the close of business September 17th, 1927.

By Order of the Board of Directors,
W. F. ROBINSON,
Secretary.

Montreal, Que., September 9th, 1927.

SALE OF TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including Monday, 24th October, 1927, for the right to cut the Red and White Pine, Jackpine and such Spruce timber as is suitable only for saw log purposes, on territory lying within the Temagami Forest Reserve, being composed of parts of Townships of Cassels and Riddell and area in unsurveyed portion of Temagami Forest Reserve, practically all in the District of Nipissing, the balance in the District of Timiskaming, the total area being 115 square miles, more or less.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or to Mr. S. C. MacDonald, Crown Timber Agent, New Liskeard.

W. FINLAYSON,
Minister of Lands and Forests.

N.B.—No unauthorized publication of this Notice will be paid for.

TORONTO—September 12th, 1927.

QUEBEC POWER COMPANY

Notice is hereby given that a dividend of Two (2%) per cent. has been declared on the Common Stock of the Company for the quarter ending September 30th, payable October 15th, to shareholders of record September 30th, 1927.

By Order of the Board,
JAMES WILSON,
Secretary.

Montreal, Sept. 16, 1927.

THE TRINIDAD ELECTRIC COMPANY, LTD.

Notice is hereby given that a dividend of 1¼% for the quarter ending Sept. 30th, 1927, on the Capital Stock of the Company has been declared.

Warrants will be issued and mailed to the address of each Shareholder and are payable at the Royal Bank of Canada, Halifax, N.S., on and after the 10th of October, 1927.

The transfer books of the Company will be closed from the 1st to the 10th of October, 1927, both days inclusive.

By order of the Board,
F. B. OXLEY,
Secretary.

CANADA CEMENT COMPANY LIMITED

ORDINARY SHAREHOLDERS'

DIVIDEND No. 46

Notice is hereby given that a dividend of one and one-half per cent. (1½%) for the three months ending September 30th, 1927, being at the rate of 6% per annum on the paid up Ordinary Stock of this Company has been declared and that the same will be paid on the 17th day of October next to Ordinary Shareholders of record at the close of business September 30th, 1927.

H. L. DOBLE,
Secretary.

Montreal, September 16th, 1927.

Montreal Metropolitan Commission

PROVINCE OF QUEBEC

Sale of $6,037,000 Gold Bonds

SEALED TENDERS addressed to the undersigned marked "TENDER FOR BONDS" will be received by the Montreal Metropolitan Commission at its office, City Hall, Montreal, until noon, twenty-seventh September, 1927, for the purchase of the following bonds to be issued by the Commission:

$1,300,000, dated November 1, 1924, maturing November 1, 1953.
1,570,000, dated November 1, 1925, maturing November 1, 1954.
3,167,000, dated November 1, 1926, maturing November 1, 1961.

Interest 4½%, payable May 1 and November 1, Denomination $1,000.

Bonds registerable as to principal.

Alternative bids will be received as follows:—

1.—For bonds payable both as to principal and interest at the Banque Canadienne Nationale, in Montreal, or at the Bank of Montreal, in New York, U.S.A. The amount tendered to be payable with accrued interest on said bonds from the first May, 1927, in Montreal, in U.S. gold coin against delivery of the bonds.

2.—For bonds payable as to principal and interest at the Banque Canadienne Nationale, in Montreal. The amount tendered to be payable with accrued interest on said bonds from the first May 1927, in Canadian gold coin against delivery of the bonds.

All tenders must be accompanied by a deposit equal to One Per Cent. (1%) of the par amount of the loan, either in cash or by an accepted cheque, payable to the Commission, drawn upon a Chartered Bank doing business in Montreal.

The Commission reserves the right to reject any or all tenders, or to accept in whole or in part any one of them.

Tenders will be opened at a public meeting of the Commission at its office, City Hall, Montreal, to be held at noon, Sept. 27th, 1927.

This loan is secured on the taxable immoveable properties of the municipalities subject to the control of the Commission, and those municipalities are jointly and severally responsible for said loan. The municipalities subject to the control of the Commission are the following:

Cities of Montreal, Westmount, Outremont, Verdun and Lachine: Towns of Montreal West, Hampstead, Lasalle, Saint Pierre, Saint Laurent, Mount Royal, Montreal East, Pointe aux Trembles, Montreal North and Saint Michel.

Assessable value of the immoveable properties situated within the above municipalities including the City of Montreal.. $987,187,258
Population about 1,129,783

Montreal Metropolitan Commission

E. T. SAMPSON,
Secretary-Treasurer.

BOARD ROOM TABLE for sale, mahogany, 4' x 10' 8", made to order. Originally cost $450.00. Will sell half price. Too large for present purpose. Box 114, The Financial Post, Toronto.

Executive Accountant and Auditor

of broad experience wanted for a position in Toronto with great possibilities. Must be an organizer, an efficiency expert and an investigator, able to conduct high-grade constructive audit, plan and supervise work of assistants and report upon facts in a clear and forceful manner. Chartered Accountant preferred. Give references and state fully general education, age, previous business connections, salary received in past.

Box 108, The Financial Post, Toronto

Canadian Mining News
THE FINANCIAL POST
The Canadian Newspaper for Business Men and Investors

Vol. XXI. 10c a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, SEPTEMBER 23, 1927 Member of Audit Bureau of Circulations No. 38

Week's Sales in Leading Mines Over $15,000,000

Amulet With an Estimated Value of Near $6,000,000 Was Leader

MANY ISSUES ACTIVE

Public Seems Attracted by Shower of Good News Which is Likely to Continue

Two million share days are becoming quite common now on Standard Mining Exchange. The heavy trading is not in the penny stocks either as will be seen from the table attached, which lists the heavily traded in issues.

From this table it will be seen that these 21 issues, providing the great bulk of the past week's action, involved, at a rough estimate, something around $15,000,000.

This fairly effectively answers the query as to whether or not the public is heavily in the market or not, or if the bulk of it is professional.

There is every indication to-day that the thought that Canada is on the eve of a tremendous mining boom has become generally accepted, and the public is going to participate.

Many stocks are selling at levels undreamed of, and there is nothing to indicate that they will not go higher. The market is going up on good news from the mines and the outlook is that the good news is likely to continue. There are a number of important developments on tap that are bound to keep the public keyed up.

Quebec issues continued to provide market leadership. Amulet sold up to $7 and predictions are freely made that it will not go higher. Latest report is that diamond drills cut some 57-ft. of high grade copper ore, and so long as such information continues to come out at psychological moments, the market is bound to continue at the boiling point.

Laval was another prominent Quebec issue, selling up smartly and retaining its position fairly well despite heavy profit-taking. It is presumed that the buying came as a result of the good news on the Electrical Survey, the facts of which are published elsewhere in this section.

Noranda shares crossed $25 this week. This is insignificant and belated recognition of the tremendous progress which is being made both with the surface plant, underground and on the Alderson-Mackay property. The writer has frequently contended that the market has in no way recognized the great value which accrued to Noranda when it secured control of this property from N. A. Timmins. If Noranda was worth $23 before securing this group and the Waite, it is worth a great deal more to-day. In addition there have recently been important discoveries on both Noranda and Horne, cognizance of which has not been reflected by any rise in the price of the stock.

Grover Daley shares almost doubled this week, though no news came out. There has been a feeling that some good stuff was being held back here for some time.

McDougall passed 80 again and is reported to be in good shape. An inkling has been given of some good news coming here also.

Argonaut and Barry Hollinger are the leaders among Ontario issues, the former selling up to 55 and the latter over 75. Good news is out on Barry, and some important news is said to be on its way in regard to Argonaut.

Big things are being predicted for Abana. A new pool is reported organized. The property has been opened up to 300-ft. level and results indicate a big mine. This copper-zinc-gold operation is much different from the operations in the Rouyn section. For instance on the Horne, the ore bodies are in the shape of great large kidneys. How deep they go no one knows. Their widths and breadths are easily ascertained. One passes out and the other comes in. On Abana the values are being secured in a large wide shear zone that stretches across the property, the extension of which northwest has been proven by Abbey mines and the extension southeast is being looked for by Laval mines. On all three properties electrical surveys have been conducted and similar "kicks" have been secured on all three groups and are proven on two. Laval is now diamond drilling for geology while awaiting the completion of the electrical survey report before starting drilling to test out the electrical survey indications.

The latest report on Abana is that on the 300-ft. level a drift was driven 65-ft. east and was still in ore and 30-ft. west a slight fault was encountered. Values are high.

Public Pouring Its Millions Into Mines

Following table shows trading for six days in 21 of the leading mine issues, with the high and low price for the period. In a rough way the amount involved was computed to give some indication of the value of the turnover.

The figures:

	Shares			Estimated Turnover
Amulet	997,095	$4.78	$7.05	$5,900,000
Area	947,720	.56	.84	658,000
Argonaut ..	984,060	.34	.55	442,000
Barry H. ..	592,630	.49	.81	384,000
Bidgood ...	235,780	.25	.35	70,000
Cent. Man. .	224,000	1.72	1.99	416,000
Dome	10,286	8.35	10.00	91,000
Gold Hill ..	267,937	.26	.35	79,000
G. Daley ...	455,750	.15	.26	91,000
Hollinger ..	106,680	17.50	18.00	1,890,000
Howey	91,950	.80	1.05	81,000
Int. Nickel .	68,723	65.00	70.00	45,000
Kirkland Gd.	223,660	2.20	2.38	515,000
L. Shore ...	85,948	24.60	25.10	2,125,000
Laval	553,226	.40	.50	450,000
McDougall .	283,350	.64	.85	212,000
Noranda ..	37,998	24.50	24.90	939,000
T. Hughes .	64,807	9.15	9.40	575,000
Towagmac .	49,685	4.55	4.85	255,000
W. Hargrea.	70,084	7.40	7.60	520,000
Sylvanite ..	30,375	3.99	4.75	128,000
				$15,866,000

MARRIOTT DRILL CORE SHOWS 7% COPPER CONTENT

Engineering Advice is Mine is Indicated But it's Question of How Big

Another important Quebec issue has made its appearance this week, Marriott Mines. It is important as engineers and sponsors of the Ventine state that there is every indication that they have a mine, the question being how big it is. Those backing the operation have already spent a goodly sum on camps, surface work and diamond drilling.

Marriott Mines are in Ontario adjoining the Quebec boundary at northwestern corner of Montbray Twp., and have been under active development for the past year with excellent results. Surface work disclosed some exceptionally high grade copper ore carrying good values in both gold and silver as well, assays running better than $70 to the ton. Diamond drilling was undertaken as a result of the satisfactory surface developments and up to the present some 2,000 ft. of drilling have been completed. Assays from the various holes give approximately 7 per cent. copper.

The last drill hole which was set some 150 ft. back from the original discovery cut 14 ft. of copper ore at a depth of 230 ft. Diamond drilling is continuing and arrangements have been completed for an additional 5,000 ft. of drilling. Surface work such as trenching and test pitting are also being rushed.

The company has over 20 men employed at present and permanent camps have been erected and tenders are being called for shaft sinking.

The property from developments to date is looking like the makings of one of the bigger copper properties of the North country.

The company have approximately $50,000 on hand for development purposes and the next few months' developments, it is said, may prove the property up to the satisfaction of the mining interests. J. B. Stitt, M.E., formerly with the American Smelting Company, is in charge of the operation.

Gold Hill's Expansion Program is Approved

Gold Hill Mines shareholders have approved of the 1,000,000 share increase in capital to $4,000,000. The purchase of two neighboring claims to the east was also confirmed for a consideration of 250,000 shares of Gold Hill stock. Shareholders will probably be given a chance to buy the remaining new treasury stock. Pres. Dave Angus says the shaft will be sunk to 1,500-ft. and the mill increased to 150 tons.

BARRY'S RICH ORE SHOOT 130-FT. LONG AND STILL HOLDING

Last Three Faces Are Said to Have Been Shot with Free Gold

SINK TO 1,500-FT.

When End of Shoot is Reached Winze Will be Dropped 500-ft.

Barry Hollinger has met with spectacular values in opening up No. 7 vein on the 1,000-ft. level. The last report is that the drift is showing 130-ft. of high grade ore with an average width of 5 to 6 feet. In some cases, however, the vein bulges, as in one place Manager R. Trelour slashed for 10-ft. without encountering either walls.

Barry Hollinger development will be pushed ahead as a result of these new developments and it is likely that when the limit of the present shoot is encountered that a two or three compartment winze will be dropped down for 500-ft. This is the company's proposal.

Vein No. 7 has been a consistent ore carrier on the Barry, having been opened up all the way down. However, the ore has only been the average until Manager Trelour got into the new ore on the 1,000-ft. level and since then, benefiting from his experience on the deep level, has opened up some rather spectacular stuff on the upper levels.

No. 7 vein was cut on the 1,000-ft. level by a 352-ft. crosscut from the shaft. First drifting was barren of results but did cut a vein of commercial ore and good width. Pushing ahead on No. 7 soon brought real values across the whole face and some of the most recent faces are said to be decidedly spectacular on their showings of free gold. When the full length of this shoot is ascertained Manager Trelour will then give his attention to the width. Another feature that makes Barry look attractive is that there is very little calcite showing, which suggests that this diluting factor may disappear entirely at depth.

HARVIE DRILL CUT 70-FT. OF ORE; STILL WORKING IN SHOOT

Spectacular Results Are Secured in Clericy — Two Diamond Drills Going

Harvie Exploration Co. has cut 70 ft. of ore in a drill hole and the last report is that the drill is still in ore. The ore was encountered below the 100-ft. level.

According to Dr. Harvie the ore is comparatively low grade in the upper portion but is steadily improving at depth, with the last 13 ft. showing marked improvement. Dr. Harvie, while confirming the general discovery, refused to discuss the situation in detail until the extent and quality of the ore body had been more fully determined. Dr. Harvie pointed out that the diamond drill is still in ore and that the work is being pushed with a double shift per day.

Following the discovery of the body on the south drift at the 125-ft. level last month intensive work underground has given the key to the geological situation and every day is apparently bringing the company to its objective, the ore source of the immense areas of mineralization and the many and varied ore shoots which have distinguished the vicinity under development. The present strike is in a zone which runs in an east-west direction for over 500 ft. and which appears to intersect a north shoot zone of approximately 100 ft. in width and 600 ft. in length. The point of intersection, which may be regarded as the centre of ore activity, lies under an extensive swamp. Two diamond drills are engaged in tracing the two intersecting zones to this point. Work is being rushed at top speed and the diamond drills are being operated on a two shift a day basis and two additional diamond drills are under order for delivery this week.

Harvie Share Split Takes Place on October 1st

It is announced that the split in Harvie Exploration shares will take place on Oct. 1. Shareholders have ratified the proposal to issue 1,000,000 new shares for the 200,000 old shares. Shareholders get 5 shares new of no par value for each one share, now held.

Noranda Cuts $60 Ore at 1,000 Level

Noranda Diamond drills have cut ore at 100-ft. level on Horne Copper mines. Early reports suggest a deposit of important width, and with values of $60 per ton mentioned.

GOOD INDICATIONS ARE SECURED BY SURVEY ON LAVAL

Property Adjoining Abana Shows Attractive Possibilities — Will Drill

Some official information is available in regard the electrical survey being conducted on Laval property, adjoining Abana Mines on the east. The survey is not complete, nor have any of the readings as yet been tested out by diamond drill. However, the survey is being made by the Radiore Co. and in view of the success met with on the Abana and on Abbey, adjoining Abana on west and north, considerable credence is to be placed in the readings.

It is understood that there have been about one dozen mineral indications secured and that about half of these are very attractive. One indication extended from 1800-ft. and the others gave lengths of between 500 and 1,000-ft. Perhaps the most interesting section is that just started on and which is in the section embracing the possible extension eastward of the Abana shear zone. Some indications have already been secured and this zone has possibilities of extending over a length of three claims or about 3,600-ft.

Laval is diamond drilling near the Abana boundary, seeking structural information while awaiting the full report on the electrical survey. When ready the drills will be started testing out the indications secured in the survey.

ARGONAUT EXPECTS BIG THINGS FROM 1,250 LEVEL EFFORT

Three Important Bodies Which Mean Much to Mine Being Sought

Argonaut Mines face an interesting month or six weeks. Working on the 1,250-ft. level, the operations are seeking three important downward extensions, one of the 1,014 body which was not touched on the 1,100-ft. level. The 1,018, which, down to 1,100-ft., supported the mill for four or five months and the 1,105 bodies. The drill is being set up to search for the 1,014 immediately, three drill stations having been cut.

Perhaps the most interesting situation is that in the 1,105. It is either a freak body or one that holds great possibilities. When it was opened out, it is understood that 18 tons were drawn that gave an average of 10 per cent. copper and $15 and $16 in gold. Thirty tons gave 9.4 copper and similar gold values while another lot sent to the mill gave almost fabulous values. The average copper values of the 1,018 between the 1,000 and 1,100 levels was 5 to 6 per cent.

No. 1,037 was an interesting body which petered out at a fault but which came in again with excellent values of 165-ft. The management expects that this body will show great length of the 1,200-ft. level.

Argonaut is adding another compressor to its equipment with the idea of stimulating development. The present diamond drill is to be kept on development work and a second drill has been purchased and will be set up on the 1,250 to test out the area for three or more levels deeper.

International Nickel Moves Up With U.S. Copper Stocks

International Nickel got into the seventies again this week after three or four months of the uninteresting sixties.

The buying was from New York. It is said that a pool has begun operation. The buying has been impressive and those who have been bullish on this stock in recent months are pointing to the latest move as evidence of their foresight.

International Nickel has become one of the most important of the copper stocks and it is worthwhile noting that the latest forward move has been coincident with an upward trend in other copper stocks on the New York market.

From the viewpoint of the investor, the comparative inactivity of International Nickel throughout the summer should not have been discouraging. Most investors purchased the stock at lower prices with an intention to hold it permanently, or at least for years. Over a term of years, temporary fluctuations covering weeks or even months are merely incidents.

Time Ripe to Develop Our Iron Ore Resources

Production Has Declined Measurably in Last 13 Years Since Bounties Were Withdrawn—Canada Once Enjoyed About the Lowest Prices for Such Products

Canada Must Strive to Double Her Population

Out of every dollar's worth of manufactured products produced in Canada about twenty-one cents have to be paid out for taxes.

During the seven years that the former iron and steel bounties were most effective, Canadian pig iron sold cheaper than American during all that period.

Bounties only equivalent to partial exemption from Dominion and Provincial taxation would secure Canadian products at prices much lower than those now paid for German and American products.

Cheaper Canadian iron and steel products should appeal to the Western Farmer. This is the structural age of steel and cement.

In U. S. A. the annual value of iron and steel products exceed the value of agricultural products.

Canada has latent deposits of iron ore that are slowly coming into recognition.

It is the one phase of the Canadian industry that is in the doldrums.

Some definite action to encourage capital to open out these iron ore deposits and erect plants to treat them, has been urged many times of late.

The following article deals with some interesting phases of the subject and are a valuable and conclusive array of facts that cry loud for action.

In 1926 the United States produced pig iron of the value of about $1,000,000,000, rolling mill products worth $4,000,000,000, and secondary steel products worth about $21,000,000,000, which was greater than the value of all the farm products in U.S.A. that year.

In U.S.A. the value of the rolling mill products in 1923 and 1926 were about 300 per cent. greater than in 1914.

In 1913 Canada produced 1,128,967 tons of pig iron, but in 1926 about 650,000 tons, although her population had increased about 30 per cent. during that period.

Compared with the U.S.A. and based on population or railway mileage, Canada should be producing annually at least $60,000,000 of pig iron, $240,000,000 of rolling mill products, and $1,200,000,000 of secondary steel products.

On an average, Canada only produces about $375,000,000 yearly and imports about $165,000,000, aggregating the sum of $540,000,000 annually, or about 40 per cent. of the annual value of agriculture.

Canada's Imports Heavy

During the last eight years Canada imported $1,345,000,000 worth of iron and steel products of which about $150,000,000 were admitted free of duty.

During the last 40 years, the rolling mill industry in the U.S.A. increased 100 per cent. every ten years, and the U.S.A. produces about 54 per cent. of the world's output.

With the very rapid and extensive development of Canada's rich gold, silver, copper, nickel, lead, zinc, coal and iron mines and of pulp, timber and water power resources, together with the resultant extensive development of dairying and other agricultural resources in the immediate vicinity thereof, aggressive action is being urged to secure the rapid development of iron and coal mines, and expansion of the iron and steel industries.

From all material standpoints the doubling of Canada's population is of first importance.

The Canada Year Book 1922-23 shows that out of every dollar of wealth produced in Canada each year, twenty cents are taken to pay taxes, about 11 cents to the Dominion, 4 cents to the province and about 5 cents to the municipality.

How It Worked at Gary

The American Rolling Mill Companies at Gary and Morgan Park acquired some 2,000 acres and transformed some into cities at a profit, that probably more than off-set all future municipal taxes. To place our Rolling Mills on an equal basis with their American competitors in that regard, it is being urged that they should be exempt from municipal taxation, or only have the bare land owned by them assessed, putting them on the same basis as the railway companies as to municipal taxes.

Instead of admitting over $20,000,000 worth of iron and steel products into Canada annually free of duty, it is also contended that it would be much better for the respective provinces and dominion to pay bounties exceeding the taxes directly and indirectly received from such industries, as the wages paid, usually represent at least seventy-five per cent. of the value of the product.

In addition to the payment of taxes, the operation of the industry, and the resultant additional population is of very great value to Canada.

Former iron and steel bounties given by the Dominion and provinces only meant partial exemption from taxation, but secured the production of Canadian products at prices lower than American or English products for seven years.

In 1894, the Ontario Government granted a bounty of $1 per ton on pig iron made from Ontario iron ore, and in 1897 the Dominion of Canada granted a bounty of $3 per ton on pig iron made from Canadian iron ore or coal, and $3 per ton on steel ingots made therefrom.

Big Investment Followed

This secured an investment in iron and coal mines, blast furnaces, terminals, beneficiating plants, and rolling mills of about $100,000,000 capable of producing about 1,200,000 tons of pig iron annually.

Between 1897 and 1912 inclusive Canada produced about 6,500,000, tons of rolling mill products worth (at least $40 per ton) $260,000,000 on which only about $17,000,000 were paid in bounties, or less than seven cents on each dollar's worth of such rolling mill products.

During that period the tariff on rolling mill products would be about 10 per cent. to 15 per cent.

J. W. A. Donald, Ph.D., of McMaster University, in his book entitled "The Canadian Iron and Steel Industry" clearly shows on pages, 345 and 355, that during the years 1906 and 1912 inclusive, that the prevailing prices of pig iron in the Province of Ontario were the lowest prices prevailing in either the United States or in England, F.O.B., the furnaces, and that on the average, during that period the price per ton at the Ontario furnaces was $17.50 per ton, while at the American furnaces the price was $18.50 per ton.

During that period, the Canadian furnaces supplied seventy-five per cent. of the pig iron required in the Dominion.

Between 1901 and 1911, the population of Canada increased 1,833,328, which was greater than the aggregate increase of population during the preceding thirty years.

Bounties Ceased

About 1912, the said bounties ceased, and during the succeeding thirteen years, 1913 to 1925, inclusive, Canadian furnaces and rolling mills produced about 13,000,000 tons of rolling mill products worth (say $50 per ton) about $650,000,000 without any bounties, and with the protection reduced to about 10 per cent. The blast furnaces and rolling mills were of inestimable value during "The Great War" and produced products worth over $910,000,000 or $1 for every two cents paid in bounties.

During the last eight years, 1921 to 1927, inclusive, Canada imported iron and steel products of the value of $1,345,000,000 of which about $150,000,000 came into Canada free of all customs duties and practically free of all taxes, while the Canadian product, may have had to pay 21 per cent, of its value in taxes.

As appears by the Financial Post Survey 1927 and the Iron Age of January 6th 1927, the prices of pig iron, steel billets and steel rails in Canada were between 1913 and 1926 inclusive, from $2.30 to $9.45 per ton higher, than in the United States.

Had the bounties been continued, and the tariff increased to at least 20 per cent. so as to secure 90 per cent. of the Canadian market to our own Canadian blast furnaces and rolling mills, the purchasers of pig iron and rolling mill products, would prob-

(Continued on page 19)

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BIGGER THINGS IN WAY OF LEAD-ZINC OUTPUT COMING

Dominion Now Standing Among Leaders in These Metals Now

From Our Own Correspondent

VANCOUVER. — Development of new fields and the operation of new and more efficient processes for recovery of the metal are likely to put Canada farther to the front as a producer of zinc and lead, are predictions made by T. W. Bingay, comptroller of the Consolidated Mining & Smelting Co., and Dr. F. J. Alcock, of the Canadian Geological Survey, before Empire Mining and Metallurgical Congress here.

Production of lead and zinc, they pointed out, has steadily increased in Canada during recent years, until today the Dominion ranks among the world's important producers, with an output approaching, if not equalling that of Australia, the Empire's other chief source of these metals.

The speakers referred to the Sullivan mine of the Consolidated Mining & Smelting Company, the largest zinc and lead mine in the world, and stated that while the bulk of Canada's lead and zinc originated in British Columbia, Quebec had one producing zinc mine and that lead mines were being operated in Ontario and the Yukon.

In 1926 about 140,000 tons of metallic lead was produced from ores mined in Canada, and of this 125,000 tons was refined at the Tadanac plant of the Consolidated company, reported Mr. Bingay. During the same year the production of metallic zinc from Canadian ores amounted to 68,000 tons, of which 62,000 tons was refined at Tadanac. The plant there was described as the most complete and modern refinery in the world. Canadian Metallurgists were given credit for devising a process capable of treating successfully the complex lead zinc ores of the Kootenay country.

The two experts expressed the belief that before long important deposits of lead and zinc in Manitoba, northwestern Quebec, Gaspe Peninsula and other parts of Canada would become important contributors to the Dominion's total.

Oriole Will Pool 90% of Shares to Syndicate

Oriole mines which took over a syndicate by the same name held its statutory meeting recently and decided to pool 90 per cent. of the shares being exchanged for syndicate units and to issue 10 per cent. Approval was given to sale of 30,000 treasury shares of which 20,000 are already placed. In taking over the syndicate the company secured $40,000 cash additional. Company has two camps in Quebec, a new one having recently been erected in Montbray Twp. H. E. Sparks, M.E., is in charge of operations, with Gordon McDonell, M.E., as assistant. The company is getting ready for diamond drilling.

New Mine Brokerage House

R. O. Denman & Co., members Standard Stock and Mining Exchange, have opened offices at 304 McKinnon Bldg., Toronto, for conducting general brokerage business in mining shares. R. O. Denman, head of this firm, is also the senior partner of the firm of Denman & Co., Ltd., Hamilton. The Toronto office will be in charge of Edward Coleman.

FIND LARGE BODY OF LOW GRADE IN CLERICY MINING

Windfall Company Opens Up Showing of Major Importance

Windfall Rouyn mines, at Windfall Rapids, Clericy Twp., north of the Harvie Exploration operation, has recently made an important discovery.

According to Stewart Troop, M.E., they uncovered an area of intensive mineralization where massive pyrrhotite and considerable chalcopyrite occurs widely distributed in a brecciated, and very dark rhyolite, over an area of about 300 feet by 200 feet. The pyrrhotite shows over all this area a general replacement by chalcopyrite, even at and near the surface, and this mineralized zone appears to be of deep origin and not merely of shallow depth.

The limits of the zone have not been determined in any direction, and it is to be expected it will extend for at least several hundred feet to the east where some chalcopyrite has been found under a gossan capping.

The geological conditions existing on the property are decidedly favorable and demand intensive exploration and development, with reasonable expectations of finding large and massive bodies of chalcopyrite, he says:

The formation is basic lava. The ore is pyrrhotite and chalcopyrite. Ore occurs as replacement in the rock, in size varying from individual grains to patches the size of a man's head. This condition prevails over a distance north and south of at least three hundred feet.

Coupled with what has been shown up on this property, and an indication of similar character on the adjoining Harvie property, also on the same knoll, it is obvious that this is a centre of intense mineralization.

Much of the material already found is low grade ore. In view of the fact that the discovery was only made recently and that only a couple hundred feet of light stripping has been done, the possibilities are far from being determined.

MINING STOCK QUOTATIONS
Week Ending Sept. 20

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Sept. 20	Sales for wk.	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low
Abana	1	....	....	....	....	....	....	....	....	4.00	.20
Aconda	1	....	....	29	24	28	214250	....	....	45	14½
Afton	.	....	....	1.08	1.05	1.08	1300	....	....	1.08	1.00
Allied M.	1	....	....	....	....	....	....	....	....	5.51	2.70
Al. C. M.	.	....	....	....	....	....	....	....	....	4.59	3.01
Amos	.	....	....	....	....	....	....	....	....	56	15
Amulet	1	....	....	7.05	4.78	6.65	997095	2.89	90	7.05	85
Algonquin	1	....	....	3	2¼	2¼	22800	6½	1½	5½	2
Apex	1	....	....	2	2	2	5000	6	2¼	3½	1
Area	1	....	....	.84	.56	.71	947720	1.55	.21	1.95	.25
Argo. Con.	1	....	....	50	32	45½	984060	67	18½	59	25
Atlas	1	....	....	4½	4	4½	86700	5	1½	7	2
Archean	.	....	....	....	....	....	....	....	....	18	17
Ajax	1	....	....	....	....	....	....	....	....	39	6½
Amity C.	.	....	....	25	25	25	30200	....	....	25	25
Bard	.	....	....	....	....	....	....	....	....	1.59	.25
Baldwin	1	....	....	2	1½	2	21000	6½	1	4½	1
Barry Holl.	1	....	....	.81	.49	.71½	592630	1.00	.21	1.00	.25
Beaver	1	....	....	1.75	1.63	1.70	7514	.99	.51	1.77	.61
Bellellen L.	1	....	....	....	....	....	....	23½	20	23½	3
Bidgood	1	....	....	35	25	31	235780	9½	4½	35	5
Boischatel	None	....	....	5½	5	5	63050	....	....	27	3
Boston Creek	1	....	....	....	....	....	....	7½	2½	½	½
Bourlamaque	1	....	....	....	....	....	....	1.45	1.02	1.53	.3
Buckingham	1	....	....	4½	4	4	12250	7½	2	9½	3
Bunker H.	10	....	....	....	....	....	....	....	....	104½	75½
Brit. Unit	.	....	....	....	....	....	....	....	....	88	76
Can. Lorrain	1	....	....	12½	12	12	4400	93	57	72	10
Capitol S.	1	....	....	17½	16	16	15600	48½	24	34	15½
Capitol R.	.	....	....	19½	17	19	155550	43	26	54½	10
Cen. Manitoba	1	....	....	1.99	1.72	1.90	224000	....	....	2.10	1.07
Castle Tre.	1	....	....	71½	67½	70	17900	1.85	.91	1.29	.61
Chaput H.	1	....	....	11½	9	11	49800	22	3½	13½	4½
Clifton	1	....	....	....	....	....	....	6½	1	3½	½
Col. Kirk	1	....	....	5½	3	3½	178500	6½	2	6	1½
Coniagas	5	....	....	4.90	4.45	4.45	480	4.85	3.00	5.05	3.20
Coniaurum	5	....	....	4.10	4.05	4.07	1200	4.60	3.00	4.30	2.80
Cons. Smelter	25	10+5	1.06	236	232	234	2012	265	177½	264	215
C. W. Dome	1	....	....	5½	4½	5½	9600	29½	14	19	4
Corona	1	....	....	18	14½	18	954350	37½	20	37	10
Copper Hill	1	....	....	....	....	....	....	....	....	62½	47
Comm. Mines	.	....	....	....	....	....	....	....	....	1.50	.71
Crown Res.	1	....	....	15	14	14	36756	24½	8	16½	7
C. American	.	....	....	....	....	....	....	....	....	1.30	1.25
Crown Res.(New)	.	....	....	45	40	41	27063	....	....	45	40
Coast Copper	5	....	....	16.00	15.50	15.50	105	....	....	22.00	9.75
Copper Sul.	.	....	....	....	....	....	....	....	....	1.00	1.00
Davidson	1	....	....	....	....	....	....	3	1½	3	1
Destor	.	....	....	....	....	....	....	41	40	43	25
Dorion	1	....	....	....	....	....	....	....	....	4.00	1.02
Dome Mines	None	$1	10.02	10.00	8.35	9.98	10286	20.00	8.00	11.00	6.75
Don Rouyn	1	....	....	25	23	25	12050	61	25	56½	17½
Dupuy	1	....	....	71½	60	71½	53600	....	....	71½	9
Duprat	1	....	....	6½	5½	6	4400	35½	8½	34½	5½
Dubec	.	....	....	....	....	....	....	....	....	1.48	.35
Dom. Lead	.	....	....	....	....	....	....	....	....	1.73	1.05
D. Dirk	1	....	....	10	8½	8½	59600	....	....	11½	1½
Duprat (new)	.	....	....	13½	11½	13½	209100	....	....	21	11
Dunwell Mines	1	....	....	....	....	....	....	....	....	1.51	1.50
Eastern Metal	1	....	....	....	....	....	....	....	....	18.25	10.00
Everett	1	....	....	....	....	....	....	12½	3½	5½	1½
East Que.	.	....	....	....	....	....	....	....	....	2.75	2.00
Fiske	1	....	....	....	....	....	....	....	....	30½	5
Fisher, Que.	1	....	....	....	....	....	....	....	....	2.20	.50
Goldale	1	....	....	34	32	32	34600	43	24	35	20
Gold Hill	1	....	....	35½	26½	32	267937	73½	25	54	22
Gold Reef	1	....	....	¾	¼	¼	2000	5	1	2½	½
Gifford	1	....	....	....	....	....	....	....	....	1½	1
Gladstone	10	....	....	....	....	....	....	....	....	29	14
Grover Daley	1	....	....	26	15	24	455750	32	18	37	8
Gold Ore	.	....	....	....	....	....	....	....	....	2.45	.90
Granada Rouyn	.	....	....	23	20	23	65800	....	....	23	20
Harvie Exp.	None	....	....	13.90	12.00	12.95	5260	....	....	16.10	12.00
Hillcrest	100	6	10.00	....	....	....	....	65	55	65	60
Hillcrest, pref.	100	7	8.43	....	....	....	....	83	79½	87	83½
Hill Top	1	....	....	11½	9	10½	44500	31½	20	24	6½
Hollinger	5	26	7.30	18.40	17.50	17.80	106680	21.00	16.75	22.65	16.40
Howey Gold	1	....	....	1.05	.80	1.00	91950	....	....	105	42
Huron	.	....	....	....	....	....	....	....	....	1.09	1.02
Indian	1	....	....	9	7½	7½	7500	14½	2½	12	4
Int. Nickel, c.	25	$2	2.85	70	64	70	68723	46	32½	75	38
Jay Copper	1	....	....	....	....	....	....	1.10	.73	1.26	.30
Keeley	1	24	30.96	80½	75	77½	24900	1.90	1.39	1.66	.70
Keora Mines	1	....	....	3	2	3	5750	22	11	12½	2
Kirk. Hunt	1	....	....	19½	16½	18½	160150	34	8½	35	10
Kirk. Lake	1	....	....	2.38	2.20	2.29	223660	1.44	.69	2.55	.82
Kamiska	.	....	....	....	....	....	....	....	....	10.75	7.62
Kamiskotia R.	.	....	....	....	....	....	....	....	....	10.80	10.25
Kirk. S.B.	1	....	....	....	....	....	....	....	....	1.29	.75
Lake Shore	1	40+10	2.00	25.10	24.50	25.10	9480	16.15	9.50	25.10	15.40
Lakeside L.	1	....	....	1½	1	1½	3000	10	1½	6	½
Laval	1	....	....	50	40	47	553226	45½	21	59	19½
La Rose	1	....	....	8	8	8	2500	39	4	12	3
Lorrain, c.	1	....	....	1	1	1	3500	15	2	3½	1
Lorrain T.L.	1	....	....	....	....	....	....	1.10	.30	.86	.25
Lucky Jim	.	....	....	....	....	....	....	....	....	21	20
Laurier	.	....	....	....	....	....	....	....	....	65	61
Mentor	10	....	....	....	....	....	....	....	....	12.60	12.00
McDougall	.	....	....	85	64	80	283350	....	....	88	17
Marclay	1	....	....	....	....	....	....	35	30	42	34½
Mitchatell	1	....	....	....	....	....	....	....	....	42	23
Macassa	1	....	....	33	30	33	46600	43	22	37	18
McKinley	1	....	....	17	15½	17	25500	26	8½	18	11
McIntyre	5	20	3.77	27.15	26.40	26.75	6499	29.75	22.70	27.50	24.00
Millcrest	1	....	....	4	3½	4	24000	21½	3½	6½	3½
Mining Corp.,	5	25	....	3.13	3.00	3.05	15275	4.45	2.60	3.65	2.90
Moneta	1	....	....	12	12	12	500	18	11	15½	8½
Montreal Rouyn	1	....	....	19	17	18	9000	60	13	33	10
N. A. Dev.	.	....	....	....	....	....	....	....	....	2.10	.30
N. A. Lead	1	....	....	....	....	....	....	1.75	1.50	2.75	1.00
Noranda	None	....	....	24.90	24.25	24.65	37998	24.75	12.00	25.00	19.95
Newray	1	....	....	45	40	45	8500	45	31	40½	18
Night Hawk	1	....	....	5½	5	5½	17400	17	3½	10½	4½
Nipissing	5	6	4.80	6.30	5.90	6.25	9035	9.25	4.95	10.30	5.25
Ophir	.	....	....	2	2	2	1000	4½	½	4½	½
Ontario L.C.	.	....	....	....	....	....	....	....	....	1.30	1.03
Osisko	.	....	....	43½	39	40	18300	1.94	1.05	1.75	.35
P. L. Cobalt	1	....	....	4½	4	4	6100	32	14½	18	2
Porc. Crown	1	....	....	8	6½	7	24400	12	4	11	3
Prec. Metal	1	....	....	....	....	....	....	....	....	22.00	20.00
Pioneer	.	....	....	80	57	71	6750	1.22	.66	1.18	.53
Premier Gold	1	32c	13.90	2.30	2.24	2.30	6340	2.75	1.83	2.50	1.86
Preston	1	....	....	5	4½	4½	24800	9½	4	7	3
Potter Doal	None	....	....	18	15	15	250000	....	....	65	10½
Power & Mines	.	....	....	....	....	....	....	....	....	1.70	.75
Que. Pros.	.	....	....	....	....	....	....	....	....	....	....
Rouyn C.	1	....	....	....	....	....	....	....	....	4.28	2.50
Rouyn	1	....	....	3½	3	3	16100	9	1½	5	1
Rouyn, Que.	1	....	....	3½	3	3½	3500	4½	1½	4½	1
Ribago	1	....	....	40	32	37½	704850	....	....	8	121
Rouyn K.	.	....	....	....	....	....	....	....	....	1.10	.73
Rubec	.	....	....	....	....	....	....	....	....	2.80	1.10
Siscoe	1	....	....	35	30	31	6500	....	....	60	12
South Keora	1	....	....	4½	4½	4½	500	35½	5	54½	4½
Stadacona	None	....	....	25	19	24½	321550	51	40	55	15
St. Anthony	1	....	....	37	35½	35½	13650	....	....	50	10
Sylvanite	1	....	....	4.75	3.99	4.44	30375	....	....	4.75	2.60
Sud Basin	.	....	....	4.00	4.00	4.00	600	....	....	4.00	4.00
St. Law. Zinc.	.	....	....	....	....	....	....	....	....	82	72
Teck Hughes	1	10	1.06	9.40	9.15	9.35	64807	5.55	2.65	9.57	5.15
Timiskaming	1	....	....	6	6	6	1500	15½	6	7	4
Thomp. Krist	1	....	....	....	....	....	....	3½	1	1	½
Tough Oakes	1	....	....	36	30	36	262250	66	36	62½	25
Towagmac	1	....	....	4.85	4.55	4.70	49685	6.10	3.15	5.75	2.85
United Cap	.	....	....	....	....	....	....	....	....	5.32	3.00
Trojan	.	....	....	....	....	....	....	....	....	8.60	4.00
Vic. Silver	1	....	....	2½	2	2½	10000	96	3½	14	2½
Vickers	1	....	....	75	75	75	2700	1.22	.13	1.52	25
Vipond	1	....	....	68	59	67	62767	2.02	1.49	1.75	.51
Wakenda	1	....	....	....	....	....	....	2½	1	5	1
Wasapika	1	....	....	1½	1	1½	1500	4	1	2	1
West Tree	1	....	....	2½	2½	2½	1000	....	....	4	1
Wettlaufer	1	....	....	....	....	....	....	10	2	4½	1½
Wright Har.	None	20c	2.70	7.60	7.40	7.40	70084	....	....	7.85	5.50
Vac. Gas	1	....	....	....	....	....	....	....	....	26	3
W. Dome Lake	.	....	....	10½	10	10	23000	....	....	13½	8
Wiltsey c.	1	....	....	....	....	....	....	....	....	50	50

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COPPER INDUSTRY IN CANADA NEVER MORE PROSPEROUS

Produces 4% of World's Supply With Quebec Coming to Front

From Our Own Correspondent.

VANCOUVER.—The copper industry in Canada was never more prosperous than it is to-day and production will soon be substantially increased, largely as a result of the opening of new mines in northwestern Quebec, C. P. Browning, general manager of the Britannia Mining and Smelting Co., told delegates to the Empire Mining and Metallurgical Congress here.

Canadian production of copper in 1926 amounted to 133,094, 942 lbs, valued at $17,490,300, Mr. Browning recalled. This is the largest output ever attained, and the fact that production had been so well maintained since the post war slump was, in his opinion, a happy augury for continued prosperity of the industry.

"The world's production of copper amounts to approximately 1,658,900 tons annually, the United States being by far the largest contributor," said Mr. Browning. "The United States makes up 53 per cent. of the world output and in addition controls a further 17 per cent. produced from mines in South America. Canada's share amounts to about 4 per cent.

"Consumption of copper per capita in the United States and Canada is 15.20 pounds per annum, whereas in England, France and Germany, it amounts to only about 7 per cent. or a little higher. In China and India it is relatively negligible. It would seem therefore, that there are great possibilities for increased consumption of copper in certain parts of the world.

"British Columbia's mines are at present contributing about one-third of Canada's copper total. Ontario mines almost one-third, and the balance comes from Quebec.

"There is no doubt, however, that Quebec will play a much more important role in the immediate future. The scope of activities in the northwestern section of that province, commonly referred to as the Rouyn district, may be judged from the fact that during twelve months in 1924 and 1925 over 5,000 mining claims were recorded. Some large deposits of good grade copper and ore have been discovered and proved, and mines are now approaching the producing stage. The first 1000-ton unit of a smelter is now nearing completion so that actual output may be expected to start immediately.

"Canada has been right in the forefront in adopting the latest and most efficient metallurgical processes for treating low-grade copper ore," continued Mr. Browning. "British Columbia was among the first to instal the now well-known and successful flotation process. The efficiency of our operations is shown by the low unit costs and the low grade ore which we are able to treat successfully."

CLERICY GETS SOME ENCOURAGING ORE

Reports of Miles Walker, M.E.I.C., recently appointed engineer for Clericy Mines Limited, in charge of development work at the Chutes Mine, Clericy Twp., have been very encouraging. Mineralization has been found over considerable widths and Mr. Walker has been so impressed by the possibilities that he has recommended the sinking of a shaft to cross cut the mineralized zone at depth. The surface exposure at the location of the selected site for the shaft-head is approximately 130 feet. Full equipment for the sinking programme has already been ordered. Meanwhile progress has been made by hand steel and a depth of about 45 feet reached. Considerable chalcopyrite has been exposed in the shaft during the process. It is planned to cross cut the zone when the shaft has reached 100 feet.

Surface trenching and exploration has also been vigorously carried on. A new body of well mineralized schist shot through with quartz stringers has been located 500 feet to the southwest of the shaft. The rock has been exposed here for a distance of 150 ft. and mineralization appears to be consistent for the full distance with one exposure five feet wide that is particularly good. Further trenching at this point has been continued for the time being to the increasing depth of overburden.

Prospecting has also been carried on on a group of 1,800 acres adjoining the Harvie operations on the east. A vein system has been uncovered for a length of 400 feet, the last round revealing a dyke which crosses the country rock at right angles. Quoting from Mr. Walker's report: "The vicinity of this dyke looks most promising, the vein is heavily mineralized; the country rock is a schisted greenstone; and the values are seemingly carried by a dark Rhyolite; there is also a light Rhyolite shooting through the vein that does not carry any mineral."

Exploration near the northern boundary of Joanne Twp. on two properties held there revealed low gold values (between $2.00 and $3.00) over considerable widths. The company has under consideration diamond drilling these showings during the coming winter.

Clericy Mines officials also believe that they have a continuation of the ore zone from Copper Hill Mines on one of their groups in Eastern Dufresnoy and camps are now being constructed in that section. Mr. J. S. Stratton, G. E., President of the company, went into this section last week for the purpose of supervising the work in hand.

IRON AND STEEL INDUSTRY OF CANADA IN DOLDRUMS

(Continued from page 17)

ably have paid about $5,000,000 less each year for such products and our iron and steel industries would have been on a firm financial basis.

Average for Lean Years

"It is a well understood condition of the iron trade throughout the world that makers of pig iron, require to average up their profit by prices they receive in good years to enable them to overcome the losses sustained in lean years." (Mr. J. W. A. Donald, Ph.D P. 345). Frequently, certain and quick delivery is of more importance than a substantial difference in price."

Subsequent to "The Great War" the U.S.A. rolling mill companies, installed the most up-to-date machinery obtainable and the Iron Age has stated that one employee in many of the U.S.A. rolling mills can produce four times the rolling mill product, that a similar employee can do in Germany.

The following quotations are taken from the Iron Age, pages 1518 and 1754:

"German pig iron has sold in the United States at prices which figure back to $3 to $4 a ton less than those prevailing in Germany on iron sold for domestic consumption. The bonuses paid on German iron and steel products range as low as $2.38 per ton on ingots up to $13.10 on tubes. The majority of products coming within the range of $3.57 to $5.95."

In 1924 India produced 1,445,313 tons of iron ore and 876,800 tons of pig iron and and only imported 80,700 tons of pig iron, while Canada practically produced no iron ore in 1926, and only about 650,000 tons of pig iron, but imported 800,000 tons of rolling mill products worth about $45,000,000. India can produce pig iron about 40 per cent. cheaper than can England or U.S.A.

Australia's Policy

In 1922 Australia granted a bounty of about $10 per ton on galvanized sheets and fencing wire and about $15 per ton on wire netting and about $200 to $450 on tractors, provided that such articles are made from Australian iron ore. Prior to 1922 Australia granted a bounty of $3 per ton on pig iron made from native ores. A bounty of $12.50 per ton is paid on sulphur made from Australian pyrites. Already Australian furnaces can produce annually 460,000 tons of pig iron.

Between 1899 and 1921 Canada paid out in bounties about $2,379,000 to secure the rapid development of the silver lead and zinc mines in British Columbia, but these mines have produced over $202,000,000 and have an annual production exceeding $35,000,000.

The province of British Columbia has authorized the payment of a bounty of $3 per ton on each ton of pig iron produced from British Columbia iron ore, and with the rapid development of Western Canada, blast furnaces and rolling plants should be erected in British Columbia, and at the head of the Great Lakes, so that the consumers in Western Canada can secure their rolling mill products at lower prices, and follow the policy of the United States in establishing important units of this great industry, at strategic central and western points as well as at eastern centres.

Ontario's Position

Ontario a few years ago granted a bounty of twenty-five cents a ton on iron ore beneficiated and exported, or at the rate of five cents on the dollar's worth of beneficiated iron ore. Each ton of iron ore will produce rolling mill products worth about $30 or $40, and a bounty of five cents on each dollar's worth of rolling mill products would be at least $3 per ton. It is estimated that the province will receive about $20,000,000 from the mining tax on excess profits, and about $500,000,000 in dues on timber in Northern Ontario. Already the province is receiving $5,000,000 a year from dues on timber. The province of Ontario has about two-thirds of the rolling mills and secondary iron and steel plants in the whole Dominion of Canada and could well afford to pay a bounty of $1 or $1.50 per ton on all iron manufactured into rolling mill products within the province, as the province should continue to manufacture, at least two-thirds, owing to its excellent position, for the assembling of raw materials cheaply, and for the shipping of the manufactured product cheaply both east and west.

According to the U.S.A. report on iron and steel for 1923 a ton of iron ore on an average produces rolling mill products worth $41, or a ton of pig iron will produce $82, and the estimate of $30 per ton is perhaps low.

The province of Ontario expends annually about four per cent. of all the wealth produced within the province annually, and so the payment of a bounty of $1 per ton on iron ore smelted, would be paying back to the rolling mill company only a portion of the taxes, received by the province directly and indirectly by reason of the additional wealth produced in the province. The production of additional wealth annually within the province is of still greater importance to the business men of the province.

Dominion Benefits

Likewise the Dominion treasury would receive about 12 per cent. on the value of each ton of rolling mill products, say $60 equivalent to $7.20 and could well afford to pay a bounty of $3 per ton on pig iron made from Canadian iron ore or coal and $3 per ton on each ton of steel ingots or a total of $6 per ton of rolling mill products.

To prevent dumping, especially during the lean years, it is necessary to have a customs duty of at least twenty per cent.

Mr. Donald in his book points out, that in the Buffalo district, the U.S.A. rolling mill companies occasionally ship to distant points in their own country, some of their products at very low prices, and the Canadian provision regarding dumping was ineffective to prevent similar dumping in Canada. In the past, especially when the prices were very low in the U.S.A. American rolling mill products were dumped at prices below cost to the great injury of our Canadian rolling mills and to the employees dependent thereon.

The partial exemption of the rolling mill industry from provincial and Dominion taxation by the granting of said bounties for ten years, and the increasing of the tariff to at least twenty per cent. to prevent dumping would enable Canadian rolling mills to produce and sell pig iron and rolling mill products at prices much lower than are now paid for the American products, and in the future, as low as the lowest American prices plus freight. With cheap power and cheaper raw material the manufacturer should produce secondary steel products almost as cheap as in the U.S.A.

How It Would Work Out

From the concrete experience of the iron and steel bounties extending over a period of seven years during 1906 and 1912 inclusive, it appears to be conclusive that once the Canadian iron mines are fully developed and the present rolling mills and additional mills in Western Canada firmly established, with additional subsidiary plants erected to produce the more highly finished and expensive rolling mill products suitable to the Canadian market, and the Canadian market made secure to them against dumping by increasing the present tariff of 10 per cent. to 20 or 25 per cent. and by granting the said bounties, it is confidently believed that most of the principal rolling mill products can be supplied to the purchasers and to the manufacturers of secondary steel products at prices about 10 per cent. lower than now paid for foreign products, and in the future at prices lower than the average Chicago or Pittsburg prices plus freight, and secure the extensive development of our iron mines, increased traffic to our government railways, and steady operation for an increased rolling mill industry. The manufacturer of secondary steel products with cheaper raw material and cheap Hydro-Electric Power should be able to manufacture secondary steel products, almost as cheaply as in the U.S.A. and increase the output of Canadian iron and steel products at least 50 per cent. With this equitable adjustment there would probably be about $21,000,000 invested in iron mines and beneficiating plants producing about $10,000,000 worth of iron ore; about $120,000,000 invested in rolling mill plants producing a product worth about $100,000,000 and about $600,000,000 in manufacturing plants producing secondary iron and steel products worth annually about $550,000,000.

Drop Quite Heavy

During the four years, 1917 to 1920 inclusive, the Canadian iron and steel industries on an average produced over $681,000,000 of iron and steel products each year. During the last six years the average annual production was only about $375,000,000 worth of iron and steel products. Once the iron and steel industry is placed on a firm stable foundation, production should rapidly increase and prices tend to materially decrease. With the value of the estimated output of our iron and steel industry, at about 30 per cent. of the value of the output of agriculture, the estimated output should increase fifty per cent. in ten years. especially when our present output is comparatively so low, and when it is remembered that the output in the U.S.A. has increased every ten years 100 per cent.

It is generally conceded that the Canadian rolling mills can produce rolling mill products about as cheaply as those in the United States. When 90 per cent. of the Canadian iron and steel requirements are firmly for our Canadian steel industries, most satisfactory results will accrue to our coal and iron companies, our transportation companies, purchasers of iron and steel products, and to Canadians generally.

PLANS FOR GOLD HILL

Reorganization of Gold Hill mines, increasing the capital 1,000,000 shares to 4,000,000, acquisition of additional claims and an increase in the capacity of the mill which started operations on Sept. 1 are being mooted for Gold Hill mines, Boston Creek.

Some Chalcopyrite Cut by Stadacona Drill

An official report on the results obtained by diamond drilling on Stadacona-Rouyn Block 8, from Charles A. D. MacIntosh, engineer in Chicago, says that the last 15 ft. of vertical hole on Block 8 drilled to 295 feet produced a core highly mineralized with pyorrotite and a good showing of chalcopyrite. This is the best core obtained to date in any of the holes. This was the first drilled vertical hole, the other ten being sunk at angles to cut into the Horne dike, a continuation of which shows on the property. Previous holes had encountered mineralization but not to the extent shown by this latest core.

Murray Kennedy, E. M., has taken charge as field engineer for Stadacona.

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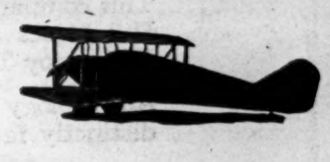
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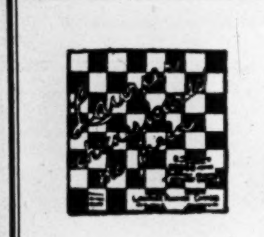

THE BIG WINDFALL DISCOVERY

was made just south of Laurier Mines group 61 in Clericy. Surface indications are that the massive mineralisation extends into the Laurier group.

Remember that Laurier Mines, Limited, has 62 groups in proximity to every big development in the field.

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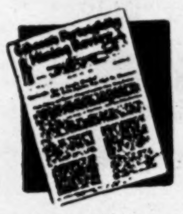

The present mining market activity offers excellent profit opportunities to the discriminating investor.
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SMETERS BROADENS ACTIVITIES; SEEKS NEW PROPERTIES

Work of Preparing Road to Big Missouri Reported Already Started

Consolidated Mining & Smelting Co. with its vast resources seems to be broadening its activities throughout British Columbia. They are evidently reaching out for a number of properties to supply a large tonnage for a smelter on the Pacific Coast. This seems to be the opinion of mining men, although no announcement has yet been made by the management, according to R. P. Clark & Co., Vancouver. The Portland Canal district in Northern British Columbia is attracting their attention, their latest reported acquisition being the Big Missouri mine. Reports of other large financial interests becoming interested in this district are being heard.

Discussing the Big Missouri deal, they state that while no official word has been given out, it seems apparent that a deal has been completed, as it is stated that a shipment of equipment has already gone forward to the Big Missouri mine and that a large gang of men are already engaged in building a permanent road to the camp.

It is stated that already a new company has been incorporated in which the Consolidated will hold control, the Big Missouri company having practically a half interest. Big Missouri has an issued capital of about 3,000,000 shares, which, at the present market price of around 35c. would represent about $1,000,000 for a half interest in this property. Big Missouri has some of the most spectacular surface showings in the entire Portland Canal district and during the past two years a considerable amount of underground development work has been completed, showing evidence of a large ore tonnage. It is a property that will require considerable money to fully develop and equip. This can be provided by the entry of Consolidated into their financing program. The bulk of Big Missouri shares outstanding are held principally by a strong Tacoma group who originally financed the undertaking.

Copper Hill Survey Indications Are Good

Radiore electrical survey now in progress on Dufresnoy property of Copper Hill Mines, is producing some interesting results. Although the survey has only been going on since September 5th, two conductors have already been located. One of these is in the northerly section of the property, and has been followed from the originating point, for a distance of over 400 feet, and still continues. This is in a location that had not been previously prospected, and opens up new possibilities for a mineralized area in that section of the property. The other is in the east central portion of the property, and has been followed from the point where it was picked up, for a distance of over one thousand feet, both east and west, and still continues in both directions.

The work to date covers only a portion of one of the group of five claims, and it is the intention to make a complete and thorough survey of the entire group, in preparation for a further extensive program of diamond drilling and other exploratory work.

Work on the shaft is progressing satisfactorily. Good ore still shows across the bottom, at between 55 and 60 feet depth, and also in the crosscut which was recently commenced from the fifty-foot level.

RECOMMEND 200-TON MILL FOR FLORENCE

Old B. C. Producer Rejuvenated—Has Substantial Tonnage of Ore Ready

Kootenay Florence Mine, British Columbia, is driving one of the longest adit tunnels in the province. It is well on toward its objective. This tunnel is being run to cut the established ore bodies on No. 5 level at a vertical depth of 550 ft. below that horizon.

Extensive mining equipment including a two hundred ton mill and an expensive power plant which handicapped their operations was installed some time ago. The company has contracted with City of Nelson, for hydro electric power, and the installation of a pole line to connect with the city's transmission line is now being built. Florence property produced over $1,000,000 worth of ore when lead was at a low price, and its activities have figured in the annual report of the minister of mines of the province since 1915, from which date the property has either been operated by the company or lessees.

D. W. Shanks, San Francisco, has suggested that the company erect a 200-ton mill, using much of the machinery of the present mill, which would net a profit of approximately $300,000 a year. The mine has cabin accommodation, complete mining equipment, such as compressors, tramways, ore cars, barges and docks, etc. Positive ore in sight is placed at 176,000 tons and 232,000 tons of probable ore already developed. The possible tonnage not developed, in the opinion of the engineers, should exceed the combined tonnages mentioned. The mine has never suffered from lack of ore. Active management is under the direction of H. C. Wilmot.

Some Encouragement on St. Anthony Mine Group

St. Anthony gold mines has taken in equipment and supplies to Quebec to carry on more intensive prospecting on the interesting showing uncovered in the west section of the Montbray Twp. property, particularly on Claim 9868, where they located an intrusive diabase in contact with rhyolite. This contact shows in places considerable gossan.

First work on this showing was to sink a pit on the west side of the mineralized zone. This pit was down eight feet and stopped on a contact showing considerable chalcopyrite and pyrite mineralization. A second pit was started to the east and at the present time is down approximately six feet. This pit is in gossan and heavily oxidized material, showing considerable mineralization in the form of chalcopyrite and pyrite. The pit has not yet reached solid rock.

The general structure and formation is promising and equal of many of the important showings uncovered in the Rouyn district, says Douglas Mutch, Cons, Engineer. It will necessitate considerable further work to open up this ground and to find out definitely what the mineralization actually amounts to.

STANDARD SEAT NETS $26,500

A seat on Standard Stock and Mining Exchange sold this week for $26,500. Former high mark was $25,000. It was reported last week that $30,000 had been bid for two seats, but when sealed tenders were opened the highest offer was $26,500.

TRADING VALUE ON VANCOUVER STOCK EXCHANGE HIGHER

Total This Year is Much Ahead of the Last Two Previous Ones

The following figures show a comparison in the Sales and Market Values of the securities dealt in, on the Vancouver Stock Exchange between the years 1925, 1926 and part of 1927.

In order that a comparison may be made with the current year's activities, an extension has been made at the end of August. in each of the preceeding years. The figures:

Year	Month	No. of Shares	Market Val.
1925	January	915,848	$22,786.94
	February	1,476,092	81,266.40
	March	2,529,703	71,369.15
	April	1,661,865	87,584,20
	May	1,356,452	76,957.70
	June	1,580,857	57,521.33
	July	463,837	38,513.92
	August	521,725	41,483.11
	8 mos. total	10,506,379	$477,482.75
	September	674,362	68,735.49
	October	1,141,025	93,263.52
	November	6,371,967	121,852.76
	December	5,615,475	128,970.25
		24,309,208	$890,304.75
1926	January	2,277,732	$147,456.87
	February	1,817,694	197,894.85
	March	2,078,548	225,5[illegible]3.77
	April	1,516,829	183,526.23
	May	1,277,021	114,015.64
	June	673,942	91,619.09
	July	381,881	56,672.12
	August	382,330	123,841.05
	8 mos. total	10,405,977	$1,140,549.62
	September	1,100,062	154,577.87
	October	3,734,561	186,2[illegible]2.61
	November	823,833	169,958.44
	December	1,271,554	231,798.79
		17,335,987	$1,883,107.33
1927	January	1,372,731	$281,949.35
	February	2,216,484	294,318.44
	March	2,364,418	456,980.80
	April	2,626,047	560,038.29
	May	1,439,120	367,858.53
	June	1,481,522	317,352.56
	July	1,548,633	312,873.34
	August	1,137,820	399,098.42
	8 mos. total	14,186,775	$2,990,469.73

Laurier is Starting an Electrical Survey

Laurier Mines, Ltd., have sent two field engineers to their group in Clericy township and the work of clearing off the gossan has started in an effort to trace a continuation of Windfall's rich strike into this group. The Windfall's showing is within 20 feet of the Laurier line and Laurier has placed a contract with Radiore Co. for a survey of this group. Laurier contract with Radiore is the largest the latter company has so far undertaken in Canada and will call for the services of two crews for practically six months.

We recommend the Immediate Purchase of

DOMINION KIRKLAND

Special Report and Information Upon Request

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Ribago Now Ready to Push Down Shaft

The mining plant for Ribago is now in place on the property. The shaft has been enlarged to two compartments and sinking will be pushed. At 52 feet the shaft is in ore averaging 10 per cent. copper. The new facilities will enable shaft sinking to be carried on at a rate of 100 feet per month. Mr. Glazier, the mine manager, states that he expects to start crosscutting from the first level, which is being established at a depth of 125 feet, by the middle of next month. This crosscut is being driven to intersect the four known ore zones that lie in the mineralized area which is over 500 feet in length and 300 feet wide on the surface.

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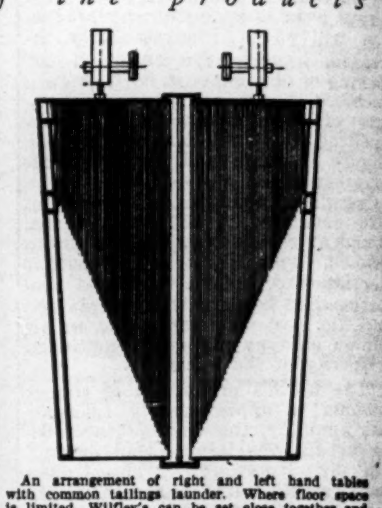

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Fiske Gold Mines Limited

Drilling Begins at Once!

WORD has been received that the diamond drilling outfit is now on the ground at the Fiske property — Group One — and the 1,000 feet of drilling will begin at once.

Fiske is gaining a full public appreciation of its activities and showings in the field where the result of aggressive surface work has divulged the need and opportunity for diamond drilling.

It is increasingly apparent that Fiske is all set for promising developments in the field, and present and potential shareholders may view the future with confidence.

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FINANCE AD-MEN MAY MEET NEXT YEAR IN CANADA

Fine Convention Session Brings Out Much of Value

Special to The Financial Post.
By G. L. SPRY.

Among the 385 registered delegates to the financial advertisers' convention held at West Baden Springs, Indiana, during the past week were the following Canadians: C. E. Bourne, advertising manager of the Royal Bank, Montreal; C. R. Trenholme, National Trust Co., Ltd., Montreal; B. E. Howard, supervisor, Imperial Bank, Toronto; G. L. Spry, advertising manager, Huron and Erie Mortgage Corporation and the Canada Trust Company, London, Ont.

The keynote of the convention was "getting, keeping and developing profitable business."

Like Man's Daily Round

Franklin Hobbs, Chicago, nationally known economist and student of business psychology, undoubtedly was the outstanding speaker. Discussing "the performance of the business cycle," Mr. Hobbs told the advertising men that business, like the four seasons of the year, runs in cycles. Exhaustive research of various eras during the past 150 years shows many ups and downs in prosperity. Making use of definite business information in the form of statistical findings and mapping of economic trends gradually but surely is straightening out the downward and upward curves of trade, and in time the line will be kept almost level.

"The performance of the business cycle," Mr. Hobbs said, "is comparable to the performance of the individual. Each one of you rises in the morning, and your mental and physical activity increases until you reach your best hours of the day. This is followed by a decline; you are getting weary; you are less active, physically and mentally; and then, drifting on through this period of lassitude, you reach your bed and sleep.

Mass Mind Causes Cycle

"The performance of the business cycle is probably a result of mass psychology. And mass psychology, in its turn, is a result of the operation of nature through the seasons. All life, all activity, all progress, come in waves. These waves may be of greater or less intensity, but they are waves none the less. And so the business cycle does perform, but the knowledge of its performance is of no value to you whatever, unless you can know in what way such performance is likely to affect you, and its effect upon finance and financial advertising.

"When the business cycle stood at the lowest point of recent recorded history, in the year 1893, it would have been ridiculous to spend money advertising for deposits in banks or for the sale of securities. Conditions were at the lowest ebb, and the masses, for a time at least, lost confidence in financial institutions and questioned the stability of our whole financial structure.

"Coming down to 1907, our calculations as to the performance of the cycle indicated a tightening money market and a possible financial panic. We advised our clients to get assets into liquid form, and we advised our banks to devote their energy toward confidence building, in the hope that a sufficient effort along this line would soften the blow. Many others were evidently doing just what we were doing, and some of them in a very much larger way than was possible to us. Some of you will remember that the seriousness of the situation was unknown to many bankers until August, and unknown to the public at large until October of 1907.

Panic Was Shortened

"Well-informed financiers had nine full months in which to prepare for the blow which they knew was coming, and to do whatever lay within their power to soften, or mitigate, the shock when it did arrive.

"That great success crowned the efforts of these well-informed financiers was well demonstrated in 1908. The panic, which threatened to be the worst we had seen, was shortened in time and its effect greatly modified by these efforts. By the end of that year the panic was over, and before the middle of the following year we had reached a stage of complete prosperity. Then somebody lost his head and, through a lot of rotten financing and financial advertising, we were back within six months into a period of recession lasting through the year 1911, and it was the middle of 1912 before we again reached a stage of business which could be called prosperity.

"While the period of prosperity, beginning in the middle of 1915, was probably extended through the operation of the world war, we had all of the stages of the cycle, from depression during the early months of the war through improvements, prosperity and recession, the recession actually beginning before the signing of the armistice."

Fiduciary Experts Needed

One financial reporter attending the convention said that the unusual interest evidenced at the session dealing with handling of wills, trusts, and estates, was not at all surprising to him, as he believes that no phase of banking has a greater future than the trust department.

"Men who have watched the development of this work for the past two decades," he said, "predict that the next five years will see more wills and trusts drawn in which the bank is named in a fiduciary capacity than in the past quarter century. To be ready for this responsibility which will be placed on their shoulders is one of the most important tasks that banks and trust companies face to-day.

"Skilled hands are necessary for the complicated task of conserving and managing modern estates. Only in the organizations of banks and trust companies, where experts in all phases of the work have been gathered together, can this responsibility be met with safety, efficiency and judgment."

Confidence in Trust Company

Possibly the most important speaker at the Trust Sales Department was Charles R. Holden, vice-president of the Union Trust Company, Chicago. "Men wait for chances in their personal and financial status," he said. "They put off what seems a disagreeable, complicated task, or they expect to enjoy many years in personal charge of their own affairs.

"In very few other fields of business is the confidence which one must have in a service or product greater than that required in trust matters, where a client places in the hands of a trust company property representing the accumulation and savings of a lifetime, as well as the future happiness and welfare of those most dear to him. The various trust services might be grouped according to the confidence that must be developed, and the resistance that must be overcome before each can be sold.

"There are positive ways of gaining confidence by the recital of qualifications and accomplishment; by the display of masterful knowledge of the intricate field of trust services; by the thoughtful, timely suggestion of matters which a prospect may have overlooked, as, for example, income tax provisions and changes in inheritance tax laws.

Many Important Points

"Safety, experience, sympathy, personal interest, sound investment policies, making the service required the principal object of the relationship established with a new customer, and not seeking to make a trust relationship a source of profit to other departments of the bank, are attempts in the successful education of the public in the upbuilding of confidence.

"From our experience we believe it is advisable to remind the trust prospect of his own particular circumstances, to picture for him his problem and our services so vividly in his own every-day language, that he visualizes himself carrying out the suggestions we have given him in relation to his own situation. Moreover, we try to crystalize this newly-awakened impulse which he has experienced into some definite action which will bring him into contact with the personal representatives of our trust department.

"Trust department advertising may be too threatening in its character. No one cares to be unduly threatened with disasters whether in matters of health or of morals or of business. Naturally, when the trust officer knows how disastrous are the common careless methods of dealing with corporate securities, he feels a duty to sound warnings. But this programme should be carried out as an educational programme, so general in its character and approach that personal criticism of the individual customers is not intended, implied or felt."

Going After Profitable Business

W. S. Greenough, Fletcher Savings and Trust Company, Indianapolis, in discussing the subject, "What Business is Profitable," said that many financial institutions had awakened to find large increases in volume of business but without proportionate increases in their profit. Too many officers of banks and trust companies were making community responsibility paramount to their responsibility to shareholders. The giving away of premiums—and even money—to obtain new business had not contributed to the prosperity of the shareholders.

The calibre of speakers at the convention, the business sessions of which covered two and one-half days, could not have been improved upon. Men and women from various sections of the United States, chosen because of some outstanding success in the financial field, related their experiences in a most interesting manner. It was a gala occasion for exchanging ideas, and nothing was withheld.

At the annual banquet held on Wednesday evening, September 14, Clinton F. Berry, vice-president of the Union Trust Company, Detroit, and newly-elected president of the Financial Advertisers' Association for the ensuing year, presented the prizes for the golf tournament. C. R. Trenholme, the National Trust Company, Montreal, won third prize for low net score.

Bourne Again Director

At the annual meeting held Thursday, C. E. Bourne, advertising manager of the Royal Bank, Montreal, was re-elected a director. Mr. Bourne has given unsparingly of his time for the furtherance of the association's interests in Canada, and has held office in a similar capacity for three or more years.

The treasurer's report indicated that receipts for the fiscal year ending June 30 exceeded $27,000. The association had experienced a greater gain in memberships during the past twelve months than at any previous time. The membership now totals over 750, the average annual fee being $40.

It was rumored at West Baden Springs that next year's convention will be held in Montreal. However, nothing definite will be known until the announcement is made by the directors, who will meet in the near future to discuss plans for the 1928 meeting.

SYLVANITE WILL SINK SHAFT 500-FT. SAYS PRES. KOONS

Will Also Push Lateral Work on 1,250 and 1,500-foot Levels

Sylvanite Gold Mines will open up their property to 2,000-ft. Directors have approved of this program and also of an extension lateral effort on the 1,250 and 1,500 ft. levels. Pres. E. L. Koons and directors visited the property, and decided that milling results justified the step.

Ore bodies of the mine have shown progressive improvement as the deeper levels have been opened up, and on the 1,500 foot level a new vein, the largest yet found on the property, has been opened up. Pilot diamond drill holes put down from the 1,500 foot level have cut the new vein at a depth approximately 250 feet below the present working on it and show it to be as extensive and as rich at that depth as in the existing drift on it.

An important ore shoot of the mine on the south or "main break" vein, first encountered on the 800 foot level has been located and developed in the deeper workings and with continued improvement of gold values. Whereas it showed an average value of something more than $15 a ton in gold at 800 feet, these values had risen to over $20 a ton at the 1,125 foot level and where the vein has been opened on the 1,250 foot level the ore is showing average values above $25 a ton with bunches of spectacular free gold ore showing which were not included in the average assays.

It should soon be possible to size up the milling experience of Sylvanite. In the statement given out at Buffalo on their return the directors made no mention of the length of the ore shoots, which is a question which many have raised of late. This is based on the fear that the bulk of the company's ground, that lying east of the shaft and fault, is broken and twisted as is that of Tough Oakes, adjoining on the east.

NIPISSING IN RED LAKE

Nipissing is reported to have optioned a group of claims 1½ miles south east of the Howey in Red Lake.

Vancouver Market is Quite Bare of Stock

VANCOUVER, B.C.—The outstanding feature of the week's trading has been the strength in Porter Idaho, which sold up to 29, closing at 27½ to 29. Dunwell was erratic, selling at 45 to 48 and closing at 43 to 46.

Lucky Jim was steady, 28¼ to 28¾. Premier sold at 2.24 to 2.26, closing at the last figure. Big Missouri, after opening at 30, broke to 28 with a close of 27 to 31.

International coal was in demand with little stock offering and closed 24 to 26 with the sale of an odd lot at 24. The market generally seems to be bare of offerings in quantity.

Malartic Gold Takes Up Kennedy Sladen

Malartic Gold Mines, operating Kennedy Sladen property in Quebec, was called for trading this week. Very spectacular gold values were secured in the early work on this group of 450 acres. Lindsley interests are sponsoring the operation which will be in charge of Jas. P. Norrie, M.E.

Copper Hill Purchases Additional 5 Claims

Copper Hill Gold Mines has acquired five additional claims adjacent to their Clericy holdings, following strong Radiore electrical indications on the original holdings. Copper Hill property is immediately north of Harvie Archean holdings.

UNITED VERDE CUTS ORE

United Verde Extension, operating next the Horne, in Quebec, has also encountered ore on property adjoining Noranda on the north. A shaft was recently put down on Murray claims close to Noranda line, and it is from the bottom of this shaft where four feet in width of excellent ore has been encountered.

Trail Smelter Receipts

The Consolidated Mining and Smelting Co. makes the following statement of ore receipts at Trail Smelter from 1st September to 7th September, 1927, inclusive, and from 1st January, 1927, to date, in tons:

	Week	Year
Company's mines	8,375	291,689
Other mines	3,456	107,066
	11.831	398,755

Porcupine Townsite Mines have come back to life after being unheard of for a long time. The shareholders are asked to meet Sept. 20 to discuss an option on the holdings in Munro and Guibard Twp.

NEW YORK-- We Thank You!

We take extreme pride in quoting below, an article which appeared in the August 20th issue of the "Commercial and Financial World," a leading New York financial journal.

Among the leading brokerage houses in Montreal should be mentioned Louis M. Atwell & Company, which occupies a large part of the ground floor of the Insurance Exchange Building on St. James Street, in the heart of the downtown financial section. The equipment includes a large board room which furnishes up-to-the-minute quotations on all securities listed on the Montreal Mining Exchange and the Standard Stock and Mining Exchange, of Toronto. The firm is a member of the local exchange and has direct wire connection with the Standard in Toronto. A complete statistical department is also maintained and the sources of information relative to both listed and unlisted issues are above the ordinary. The firm for a long time has maintained important branches at Quebec and Halifax. Another has just recently been opened at Ottawa, while another will be opened at Three Rivers, Quebec, in the near future.

The firm does no promotion work, but is strictly a commission house buying and selling on order from its large and growing clientele throughout the East. By reason of its exceptional service and intimate knowledge of mining matters, Louis M. Atwell & Company are entrusted with the mining business of many Canadian financial institutions.

There are undoubtedly many opportunities for profit in the stocks of companies operating in the Quebec mining districts, but, of course, the service of a highly responsible and experienced house should be enlisted. Along this line we can recommend the facilities of Mr. Atwell, whose long connection with mining matters and intimate knowledge of existing conditions make a personal acquaintance with his firm of distinct value to the investor,

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NO PROMOTION SHARES ISSUED. No Shares of the Company's Capital stock, whether Preferred or Common, have been, or will be, given to anyone for organizing or assisting in the organization of the Company. All shares remain in the treasury until paid for.

DIVIDEND RETURNS. The Preferred Shares are Guaranteed First Participating in Earnings, with a fixed dividend of 12% per Annum, payable 1% monthly, on the first of each month to shareholders of record on the 25th day of the previous month. On account of the large surplus income from Royalties owned by the Company, the Preferred Shareholders are now receiving a monthly bonus of ½ of 1%, making a total of 1½% per month.

COMMON SHARES. The Company's Charter provides—The Common Shares will not participate in Regular Dividends, and are limited to an Annual Dividend of Six Cents a Share, and then only after the Preferred Dividends have been paid.

INCOME WISELY INVESTED—All funds received by the Company from the sale of its stock will be used for the purpose of purchasing Producing Royalties—thus assuring permanent income for Dividends, Re-Investments, etc.

THE ENTIRE SURPLUS FROM INCOME AFTER DIVIDEND REQUIREMENTS HAVE BEEN PROVIDED FOR, IS TRANSFERRED TO CAPITAL ACCOUNT TO BE RE-INVESTED IN ADDITIONAL PRODUCING ROYALTIES IN ACCORDANCE WITH THE TERMS OF THE COMPANY'S CHARTER.

The Company's Royalty Interests are widely diversified and only a limited amount of capital is invested in a portion of any one Royalty.

ROYALTY REVENUE CERTAIN. Royalty Interests are purchased only in Proven Oil Fields with deep sands, and which are being operated by the Major Oil Companies such as the Standard—Subsidiaries and the Roxana, Prairie, Peters, Slick, Magnolia, Gulf, Texas, Mid-Continent, Marland, Phillips, Sinclair, Gypsy, etc., which is an assurance of continuous production of "Royalty Oil." It is from such Great Oil Corporations that Petroleum Royalties Company derives its Royalty Income.

ROYALTY COMPANY RECEIVES OIL FREE OF EXPENSE. The Operating Company owning the Lease must bear all expense of installation of Machinery, Drilling of Wells, Pumping, etc., and deliver One-Eighth (⅛) of all Oil and Gas produced from every well into the Pipe Line, entirely free of cost. Payment for Petroleum Royalties share is made direct to the Company monthly, by the Pipe Line Company.

COMPANY PARTICIPATES IN ALL PRODUCTION. No matter how many additional wells are drilled, or how profitable the flow of Oil and Gas, Petroleum Royalties will participate in the Gross Production from every well drilled, to the full extent of its share of Royalty Ownership without a Dollar of Expense to the Company.

EARNINGS. The present earnings are sufficient to pay the Regular and Bonus Dividend requirements approximately three times over.

The Regular and Bonus Dividends have been paid regularly since first distribution, besides leaving a substantial monthly surplus for Re-Investment in additional Royalty Interests for the Company.

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MEN LIVE LONGER; INSURANCE RATES NEED OVERHAULING

Actuary Tells of Advances Towards Premuim Charge

By FRANK SANDERSON,
Consulting Actuary, Ontario Department of Insurance. An address submitted to the Conference of Provincial Insurance Superintendents at Quebec.

The question of a proper standard for valuation of life insurance contracts is one of great and far-reaching importance. This subject has occupied the keen study and mature judgment of many able experts in many countries over a considerable period of years. The security and happiness of millions of persons depends in large measure upon the proper answer to this question.

One of the most important changes that has occurred in life insurance in our generation has been the recognition of the great improvement that has taken place in the rates of mortality. This lowering in mortality rates has been made evident by the different mortality investigations that have taken place. The spread of this knowledge has led to a demand for reconsideration of premium rates and valuation standards.

19th Century Experience

During the last half century we have had in the Dominion of Canada two outstanding standards of mortality, viz.: the Hm Table which held sway for a third of a century ending with 1910; and the Om (5) Table which has held sway from that time until the present year. Both these mortality standards were drawn from 19th Century experience of lives insured in Great Britain.

In the United States the American Experience Table, based upon the experience of the Mutual Life Insurance Company of New York prior to 1860, has been the backbone of American premium rates and valuation standards.

In 1915 the Actuarial Society of America, recognizing the need of a more modern investigation of mortality rates, undertook the task of investigating the mortality among insured lives in the United States and in Canada separately, covering the period 1900 to 1915. Two main tables of mortality are thus given, viz.: the Am (5) and the Om (5) representing the latest published experience in the United States and in Canada, each eliminating the experience of the first five years of each risk, thus giving what is known as an ultimate table of mortality, similar to the British Om (5) table of mortality.

New Tables Reflect Change

These two tables are generally called the American Men Table and the Canadian Men Table. This investigation was published nearly ten years ago but it is significant that until recently there has been little demand for its official recognition either in the United States or in Canada. There can, however, be no doubt that these tables have in large measure demonstrated that the Hm table, the Om (5) table and the American Experience Table no longer reflect the mortality experience of insured lives in the healthy parts of North America.

Exactly the same situation exists in Great Britain, as is evinced by the results of two separate investigations carried on in the old land in recent years.

British Use New Principle

Not only do the actuaries chiefly responsible for these two most recent mortality investigations in Great Britain find that the new experiences demand a change in rates, but they went further and introduced a new principle in actuarial practice, viz.: the principle of "Forecasting" or "Projection," under which an allowance is made for further improvement in longevity. As the British Government actuaries say in their report on this new "Forecasting" principle: "We have examined the problem from various points of view and we arrive at the conclusion that the values of annuities as computed on the normal basis from the experience 1920-21 may properly be increased by 4 per cent. for females and 3 per cent. for male lives.

It is important, therefore, to point out that an entirely new principle, viz.: that of "Forecasting" future improvements in vitality, has now been brought on the horizon of actuarial calculation. The importance of this new principle and of newer methods of tabulating, now finding recognition in Great Britain, may be stated in a few words from the opening address of the President of the Institute of Actuaries (A. D. Besant, B.A.F.I.A.) a couple of years ago:

"The abandonment of the old system of tabulating past results; the introduction of the principle of forecasting, from the mortality of the past, an estimate of the probable mortality of the future, and thence, as a logical deduction, the publication of tables, based upon such forecasts, constitute a new departure of the utmost importance in the development of actuarial science."

Continuous Experience in British Table

Turning from these British annuity mortality experiences to life assurance experience, it may be said that so far-reaching has been the conviction that the existing Om and Om (5) tables of mortality are fast going out of date, if not more than out of date, that in 1924 the Council of the Institute of Actuaries decided that a fresh investigation into the mortality of assured lives should be undertaken.

The Faculty of Actuaries of Scotland has joined with the Institute in this new enterprise. As stated by the Council of the Institute of Actuaries, this investigation would be conducted on new lines. The experience is to be carried on upon a continuous basis dating from 1st Jan., 1924. It would be useless in the case of a mortality experience of assured lives to go back for many years, because to include the experience of war years would produce results of no practical vale. In due time, therefore, we shall have a new British table which will embody the latest experience of mortality of life insurance risks, taken out on the most up-to-date method and which will be a better measuring standard for future life insurance experience than has hitherto been available.

German Experience Tallies

A still further indication of improved longevity is evidenced by the recent publication of German Life Office Tables, 1926, covering the observation upon a very large body, of medically examined insured lives for 30 years ending in 1906. "Broadly speaking, the new German tables show that the mortality of assured lives has been nearly halved at the young ages, that the improvement falls off as the age advances until there is a tendency to approximate to the older tables at the older ages. This is almost exactly the same story as is told by the British tables."

What is the general situation with which we are faced on this side of the Atlantic as to valuation basis?

Dominion Makes Changes

As is well known, the whole question was under close scrutiny during the last session of the Dominion Parliament and as a result, important changes were made in the regulations touching the valuation of policies issued after January 1st, 1927. The questions of allowance for initial expenses and for deficiency reserve (for gross premiums below the net) were factors in the final compromise arrived at. No change was made in the rate of interest to be used in valuation of life insurance policies, but a wide choice is made as to mortality table and an important change in the form of allowance for initial expense.

More responsibility is also thrown upon the actuary of each company as to the suitability and adequacy of the valuation basis employed. Under the wide and varied conditions prevailing in the Dominion among so many domestic and foreign companies, some of which have large volumes of insurance in tropical and semi-tropical countries, there is much more to be said for such latitude in valuation standards than would be prudent where the insurance experience is more homogeneous as in domestic provincial companies.

New Tables Recognized

Perhaps the most striking change in the Dominion standard of valuation was the official recognition given to the Am (5) and Cm (5) tables of mortality previously referred to. In this respect a marked advance has been made over the movement in the United States for official recognition of the Am (5) table, although this matter has been, and is still, widely discussed in that country.

Ontario More Liberal

What is the particular position of affairs in the provinces as to official valuation standards of the policies of provincially incorporated companies? A few years ago Ontario changed its long standing basis for life insurance valuations from Hm 4½ per cent. to Om (5) 3½ per cent., thus employing the same table of mortality and the same rate of interest as was in use by the Dominion. One minor consideration in this decision was the existence and the availability for the companies of published valuation tables on that basis.

A more liberal allowance, however, for initial expenses was permitted by the Ontario Statute than allowed by the Dominion Act, the period of repaying the allowance being 9 years instead of 4, and besides a somewhat larger allowance was permitted for policies with premiums higher than whole life. While at first this more liberal allowance met with some criticism in a few quarters, yet time appears to have turned any criticism into general approval, and three of the Western provinces have since adopted the same standard of valuation as Ontario. The Quebec law requires the same rate of interest as the other four provinces, but allows more latitude in mortality standard.

For valuation of annuity contracts the basis of valuation in the before mentioned four provinces, is now also the same, viz.: the British Offices select annuity Exp. of 1893, with interest at 3½ per cent.

Provinces Should Wait

At present there is no pressing demand for a change of the valuation basis previously mentioned, for assurance and annuity contracts, although the so-called deficiency reserve (where the gross premiums are below the legal not standard) may require reconsideration, if necessary, a provision for a new reserve basis for group insurance contracts might also be considered.

There can, however, be no doubt that changing conditions in the life insurance world may in due course involve a more general change in the official valuation standards. Such general change of basis should not, however, be made lightly or frequently. The security and confidence of the public is the first consideration and after that adaptability to surrounding conditions of insurance practice may reasonably and properly be considered.

Must Watch Closely

The movement of events, however, in Great Britain and in the United States, as well as in Canada, in reference to matters of mortality, premium rates and reserves is one which should engage the close attention of Provincial Superintendents of Insurance. An examination of tables will show that the two newer mortality tables (Am (5)) & Cm (5) bring out materially lower net premiums than do the older tables (Om (5) and American Experience). At the same time the reserves required by these newer experiences are surprisingly strong.

This apparent anomaly is, of course, a feature well recognized by actuaries. The strength of the reserves required by these newer tables goes a long way to defend them as bases for valuation. In general it may be said that trial valuations indicate that a valuation of an average company by the Am (5) 3½ per cent. table would be at least 2 per cent. in excess of one made by the American Experience 3½ per cent. basis, while it would be slightly less than a valuation made by the Om (5) 3½ per cent. basis depending largely on the plan distribution of the policies valued.

Lower Non-Par Premiums Forecast

The great problem, however, for solution is how, in view of the existing expense rates of company-operation, and of the high reserves demanded by such newer tables of mortality as the Am (5) and Om (5), the transition to the lower scale of gross premiums is to be brought about in company practice. Already, however, the movement toward lower non-participating premiums, especially at younger ages, has begun, and it would not be surprising if the scales of participating premiums based upon the older tables of mortality, should in the not distant future, be brought into closer accord with actual experience indicated by the more modern mortality experiences.

The eyes of the insurance prophets will naturally scan the horizon with much interest, for the appearance of the British investigation of mortality of insured lives that is now in hand, and which will in due time be made available to the life insurance world. As in the past in Canada, this British investigation (involving as it will a careful analysis of the improvement that has taken place in mortality rates) will doubtless be of great service to all responsible for determining standards of valuation for life insurance contracts.

Looks for Uniform Valuations

Meantime and before important change is made in the existing valuation standards of Ontario, Manitoba, Saskatchewan and Alberta, it may be advisable to observe during the next year or so, the testing in practice and discussion of the newer existing tables of mortality already referred to. In due time it is hoped that all the provinces will find it possible to adopt a uniform basis of valuation of policies of provincially incorporated companies.

In conclusion it is suggested that the Provincial Superintendents' Association might appoint a special committee with power to consider the subject under discussion, and confer, if thought advisable, with representatives of provincial companies.

Suggests Security Fund as Compulsory Automobile Insurance Alternative

By C. H. FREDERICKSON, F.C.A.S.

There has been much written on compulsory automobile liability insurance lately and the question has been analysed and dissected in all ways possible. It is only in the hope of presenting a new angle of the question which may, if practicable, be the means of substituting for compulsory liability laws, a measure considerably simpler and considerably less expensive, that I am writing this article.

The idea underlying a compulsory automobile liability law may, from a social standpoint, be regarded as an effort by society to cover up by current payments, the economic loss through automobile accidents, instead of leaving such loss to accumulate for the future. From an individualistic standpoint, it is the means whereby a man will recover damages from the financially weak operator of automobiles, who is responsible for the accident.

Do The Benefits Justify State Interference?

The point around which the question of compulsory law seems to revolve is whether the imposition of the necessary tax for meeting the expenditures under such a law is justifiable from the standpoint of the benefits ensuing from such a law. It has been stated that the cost will be levied on all owners of automobiles, whatsoever be the individual character of the driver or the locality. This in many reviewers' eyes amounts to a discrimination.

The question is whether a compulsory automobile liability law is the only remedy and the best remedy for the situation to which this remedy is contemplated? In my studies of workmen's compensation laws, I have struck a few countries that do not compel their citizen employers to insure against accidents caused in industry. In order to take care of cases where the victim of the accident or his descendants cannot recover compensation from his employer due to the latter not being insured or insolvent, the countries in question have introduced a "security fund," from which compensation due accident victims or their descendants, is payable, if the consequences of the accident are of a permanent character. The fund is raised through a contribution by all employers coming under the law. Can a system be devised on a similar basis to take care of the present problems in connection with compulsory automobile liability laws; and how?

Raising Fund by Registration Fee Allotment

The answer to this question depends upon the feasibility of establishing a fund like the one mentioned. Such a fund could be established by the state setting aside as a special fund, a portion of the registration fee to meet the estimated required expenditure each year. The amount to be set aside would, of course, vary for each state or province, but on the basis that about four per cent. of the claim for damages are at present not recoverable, the sum would amount to something like $15,000,000 a year in the United States, or about $1 per registration in round figures. In Canada $1 per registration would total about $800,000.

The man who desires insurance would then be at liberty to take it out; the man who would not take out insurance would have to pay damages from his own pocket book and the man without means and without insurance would, if he caused an accident, give the claimant the right to draw on the security fund. The procedure would be something like the following and in accordance with present day practice:

After the party claiming damages had had his case settled by the court and the extent of the damages had been fixed and judgment given in favor of the plaintiff, the usual procedure of receiving these damages from the party responsible for the accident should be followed by issue of execution against the judgment debtor. In case, however, that the execution were returned wholly or partly unsatisfied the judgment creditor should be entitled to claim against the security fund. In its turn the security fund, after paying the damages to the judgment creditor, would be given the subrogation right as against the judgment debtor for any time in the future.

Suggests Reciprocal Legislation

The persons having a right to draw on the security fund should, of course, be all persons injured in the state or province which has established such a fund whether residing in the province or not, providing always that only non-residents which reside in a province with a similar legislation and reciprocity clause may draw upon the fund.

A further condition for the right to recover should be, that the judgment in favor of the plaintiff be for permanent injuries sustained at the accident and that a maximum limit should be set on any one claim payable from the fund.

Another suggestion, in order to guard against fraudulent claims and financially irresponsible drivers may be to revoke the license of the party responsible for the accident until he had personally indemnified the security fund for the payment on his behalf.

Simpler Than Compulsory Insurance Law

It appears that if a security fund was established it would perform the service for the purpose of which, a compulsory automobile liability law is advocated. The operation of the fund would be materially simpler than the administration of a compulsory law. The fund would serve as a deterrent of the clamor for state insurance, as with such a fund there would be no necessity for state insurance. The establishment of the fund could hardly be said to be conducive of an increase in accidents, as present day practice would be changed. The weeding out of irresponsible drivers may, of course, be done by a proper application of the present law. Under the security fund plan a material incentive for taking out insurance is to be found in the suggestion that the fund has a comeback on the driver responsible for the accident and on whose behalf the fund has paid damages. A diligent checking up by the fund of the economic condition of the party will no doubt have its effect in convincing the public about the necessity of carrying insurance.

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32
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"It's just straight business, that's all. Part of my savings I put in the bank around the corner. This account we use freely to get enjoyment out of life, and to meet the payments on our home.
"But it's the other account that puts the backbone into my estate. Immediately I opened this account my 'banker' placed a $10,000 cash bond in a safety vault for me.
"According to the agreement my deposits amount to only 2½% per year but cover interest, principal and all. Should I become totally laid up the 'Bank' pays me $100.00 a month. And when I die my wife gets the whole $10,000 bond in cash just the same.
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Current Events in Banking World

SUGGEST FINGER PRINTING CHEQUES FOR TRAVELERS

Would be Additional Safeguard Along with Signature

Travelers' cheques issued by banks and express companies provide one of the most convenient methods for providing funds for people traveling at home and abroad, and considering the enormous volume dealt in yearly, they have been remarkably free from forgery. This is due partly to the system of issue in limited amounts, and partly to the fact that the banks and express companies who issue them spare no efforts to follow up and punish anyone attempting to forge the instruments.

The specimen signature of the purchaser, placed on each cheque when purchased, is also a safeguard, as the bearer must write his name on the cheque in the presence of the party negotiating it when he wants to use the cheque.

Some Forgeries Uncovered

There have been forgeries of course, and recently one notorious character, wanted for some of them has been arrested in the United States. This man is credited with having engineered some of the most successful of these frauds, but owing to his skill in disguising himself seems to have been singularly free from arrest.

It is to be hoped that, if they have the right man, the evidence will be sufficient to insure him a merited retirement in prison for a number of years.

Cashier Usually Loser

While the percentage of fraudulent cheques of this kind is trifling in comparison with the volume, almost negligible in fact, when a forgery does occur it is a clear loss to the one negotiating it. Most of these cheques are taken bv hotels from their guests, transient and other, and by merchants from customers making purchases. Banks usually get them on deposit from their customers, who have received them in the usual course, and therefore have recourse against their depositors in case of a fraud. Some of course mav be cashed over the counter, the teller depending for identification by comparing the signature of the bearer with the specimen already on the cheque.

Now Suggest Finger Prints

The banks issuing the cheques charge a very reasonable fee for the service, 75 cents per hundred dollars, but while the bank which negotiates such a cheque for a stranger makes a small commission from the issuing bank, this commission is not large enough to warrant anv risk whatever. In order to give protection to the bank, so that it can continue to furnish this service to the public and minimizing the risk, it has been suggested that when such cheques are presented for encashment by the bearer, the pavee be required to give his finger prints on the cheque as well as his signature. This is very easily done and under the present svstem it is not necessary to soil the fingers with ink as it was under the old svstem. No honest man would object, but the last thing a crook would consent to would be the taking of his finger prints. It would furnish evidence he could not evade, and be a consuming record against him.

Staff Gossip

Mr. Ray of the Vegreville branch of the Canadian Bank of Commerce, has been transferred to the branch at Empress.

* * *

O. G. Bernhardt, for some years manager of the Bank of Toronto at Stayner, has been transferred to the Collingwood branch as manager.

* * *

J. H. Dunford, accountant in the Campbellton branch of the Bank of Nova Scotia, has been appointed manager of the Dalhousie, N. S., branch.

* * *

H. H. Sullivan, teller in the Brussels branch of the Standard Bank for the past five years, has been promoted to the managership of the Mount Hope branch.

* * *

J. F. Gordon, of Coleman, has been transferred to the Youngstown branch of the Canadian Bank of Commerce, while H. W. Clark, of the Youngstown branch, has been transferred to Bassano.

OPEN NEW BRANCHES

The Standard Bank has opened a branch at Mendham, Sask.

The Weyburn Security Bank has opened new branches at McCord and Summer Cove. These two branches are in Southern Saskatchewan, to the southwest of Assiniboia.

The Bank of Montreal advises the opening of a branch on October 3rd at 7689 St. Denis Street, Montreal, to be designated "Villeray and St. Denis Sts. branch, under the management of J. F. A. D. de Gandpre.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities

	Sept. 17, 1926	Sept. 15, 1927
Montreal	$98,169,240	$122,361,680
Toronto	99,200,880	128,352,003
Saint John	2,337,089	2,663,418
Halifax	2,589,243	2,945,176
Moncton	791,739	951,999
Sherbrooke	816,978	931,662
Quebec	6,429,755	6,498,339
Ottawa	6,473,583	6,768,623
Kingston	....	882,009
Peterborough	....	963,245
Hamilton	6,005,359	5,978,215
Brantford	1,099,897	1,394,750
London	2,613,030	2,884,577
Chatham	576,750	776,587
Kitchener	975,207	1,138,440
Windsor	4,257,602	4,705,533
Sarnia	....	637,657

Western Cities

	Sept. 17, 1926	Sept. 15, 1927
Fort William	$ 943,425	$ 1,985,665
Winnipeg	43,660,119	41,395,284
Brandon	591,211	645,915
Regina	4,431,739	4,985,166
Saskatoon	1,990,475	2,472,980
Moose Jaw	1,186,128	1,308,309
Prince Albert	375,837	325,146
Lethbridge	470,170	....
Calgary	5,499,471	7,022,700
Edmonton	4,500,023	5,146,959
Medicine Hat	267,135	331,924
Vancouver	17,248,924	17,500,742
Victoria	2,259,378	2,462,413
New Westminster	820,160	877,894

NEW YORK LAUGHS AT IDEA OF CONTROL

Americans Only Buying Canadian Bank Stocks for Their Investment Value

NEW YORK.—Dispatches from Canada to the effect that a powerful group of New York financiers were attempting to gain control of Canada's leading banks were read with some degree of amusement in New York banking circles. The Canadian dispatches added that opposition would be shown to such a move and that there was no chance of its accomplishment.

Canadian interest in the matter was, of course, excited by a news item published recently in the New York press that an investment trust or financial organization was being formed to deal exclusively in Canadian bank shares.

The only concrete basis for the exaggerated report probably is found in the fact that a New York brokerage firm, Ernst & Co., are behind a plan to buy a limited amount of Canadian bank stocks.

In view of the fact that Canadian bank shares yield substantially more than do American bank stocks, said J. P. Daly, of Ernst & Co., his firm conceived the idea of forming a small trust and purchased with that end in view between $500,000 and $750,000 worth of the stocks of the 10 chartered banks of the Dominion. Against these stocks Canadian Bank Stocks, Inc., issues certificates through the New York Trust Co., which acts as trustee.

The purchase and ownership of a maximum amount of $750,000 of Canadian bank stocks represents no menace to Canada, and certainly does not threaten the control of any Canadian institution, Mr. Daly pointed out. There has been no intention on the part of his firm to maintain secrecy, he added, and the officials of the Dominion, who have been hinting at an "investigation," may have all the information they wish for the asking, he concluded.

An official in charge of a large Canadian bank agency in New York discredited the possibility of obtaining control of one Canadian bank, let alone a number of them in the manner suggested, and stated that transfer books maintained in New York showed only the usual number of changes of shares always going on, based on investment purchases. The ownership of Canadian banks is so widely scattered that it would be almost impossible to bring majority control into new hands.

The Canadian law provides that a majority of the directors of all Canadian banks shall be British subjects, born or domiciled in Canada. This would not be regarded as on this side of the line as an objectionable feature. But the whole story of any serious effort to carry out the plans named in Canadian dispatches is designated by New York bankers and Canadian bankers in New York as pure moonshine.

Only recently some excitement was created in British Columbia by reports that the Bank of Italy was buying into one of the Canadian chartered banks for control. This was quickly denied by the Bank of Italy in San Francisco. The Bancitaly Corporation as an investment and holding company may own some Canadian bank stock, but merely for investment purposes.

It was pointed out by one New York banker that if an investment company was formed to deal in foreign bank stocks, the first move probably would be to obtain a Federal charter under the provisions of the Edge law, which, through changes in the Federal Reserve law, has been greatly liberalized. Up to this time only one corporation, the First Federal Foreign Investment Trust, which was formed May 24, 1926, under the auspices of F. J. Lisman & Co., has been brought into existence. The provisions of the Edge law, as amended, permit corporations of this character to issue their own debentures against the securities they acquire, this without prior approval of the Federal Reserve Board. The securities behind the debentures must at all times amount to at least 110 per cent. of the aggregate amount of the debentures issued and must be placed in the hands of a financial bank or trust company.

Ownership of Canadian bank shares in the United States is increasing and will continue to increase, but, the American Banker points out, that investments will be based on investment returns as in the past, and not with any idea of absorbing control.

THINK OUT THIS ONE

Manager of the Ottawa and Campbell branch of the Canadian Bank of Commerce contributes the following to "The Caduceus." You have to think quickly on this one.

"Jones renewed his $300 loan for six months, a loan nicely secured by Victory Bonds, and the proceeds safely deposited in Savings Bank. After signing, Jones casually remarked that he was making money on the transaction. We expressed our pleasure and might we enquire how? 'That's easy,' says Jones. 'I pay you seven per cent, I get three per cent. in the savings and 5½ per cent. on the bonds, and clean up 1½ per cent. That's good business, isn't it?'"

"An encouraging development in the movement to establish an overseas market among the British malters for Manitoba barley has taken place this week," states J. H. Evans, Manitoba's deputy minister of agriculture.

What Does "Succession Duty" Mean to You?

To assist you in determining just how succession duty rates in Ontario will affect your estate, we have prepared a digest of the Act in an easily understandable form which we would be pleased to mail you upon request.

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Col. J. R. MOODIE, Hamilton
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N. A. TIMMINS, Montreal

	1927	1926
GROSS EARNINGS	$796,634.93	$324,476.92
EXPENSES including interest and reserve for taxes	135,182.86	78,090.69
NET EARNINGS	$661,452.07	$246,386.23

Balance Sheet as at June 30th, 1927

ASSETS

	June 30, 1927	June 30, 1926
Cash on hand and in Bank	$ 57,610.74	$ 24,395.16
Accounts Receivable	738,272.89	27,387.18
Accrued Revenue from Investments	67,809.23	11,858.53
Investments—		
Bonds	1,110,824.83	808,341.69
Bank Stocks	599,829.30	214,734.34
Preferred Stocks	635,158.27	183,055.25
Common Stocks	1,151,023.52	1,160,967.76
Advances to Subsidiaries	1,180,202.07	450,000.00
Common Stocks of Affiliated Companies	5,832,397.01	3,110,485.72
Miscellaneous Assets	10,595.39	8,739.70
	$11,383,723.25	$5,999,965.33

LIABILITIES

	June 30, 1927	June 30, 1926
To Public		
Bank and other Loans	$ 1,086,966.10	$ 312,500.00
Accounts Payable	270,732.47	32,157.96
Dividends Payable July 15, 1927, on 6% Cum. Pref. Stock	75,000.00	37,500.00
Accrued Liabilities	29,182.96	16,874.98
	$ 1,461,881.53	$ 399,032.94
To Shareholders		
Capital Stock—First Cumulative 6% Preferred Authorized 50,000 Shares $100 each—Issued 50,000 Shares	$ 5,000,000.00	$ 2,500,000.00
Capital Stock — Non-Cumulative 6% Participating Preferred, Authorized 100,000 Shares $50 each — Issued 50,000 Shares	2,500,000.00	2,500,000.00
Capital Stock — Common No Par Value — Authorized 250,000 Shares—Issued 160,000 Shares	1,875,000.00	500,000.00
Miscellaneous Reserve	1,595.81	
Profit and Loss	545,245.91	100,932.39
	$11,383,723.25	$5,999,965.33

Signed on behalf of the Board, { A. J. NESBITT, Director; J. B. WOODYATT, Director

AUDITORS' CERTIFICATE

We have examined the books and accounts of the Power Corporation of Canada, Limited, and certify that the foregoing Balance Sheet and relative Profit and Loss Account exhibits a true and correct view of the state of the Corporation s affairs at that date and the results from the operations thereof, according to the information and explanations given to us and as shown by the books of the Company. We have received all the information and explanations required by us.

P. S. ROSS & SONS,
Chartered Accountants.

Montreal, August 16th, 1927

Profit and Loss Account

Balance at Credit July 1, 1926		$100,932.39
Earnings for year ended June 30, 1927		678,433.31
Reserve for Federal Income Tax	$ 16,981.24	
Dividend on 6% Cumulative Preferred Stock	217,138.55	
Balance	545,245.91	
	$779,365.70	$779,365.70

Magnitude of Operations

The following condensed statement of the operations of the utility companies which Power Corporation of Canada, Limited, controls, or is substantially interested in, is indicative of the magnitude of its operations:

	1926	1927
(1) Combined gross earnings for the fiscal period	$12,974,984.90	$14,681,610.14
(2) Net earnings for the same period available for Reserves and Common Dividends	1,891,703.65	2,072,651.83
(3) Total k. w. hours generated during 1926	850,000,000	1,153,262,000
(4) Total plant capacity (horse-power)	400,000	436,600
(5) Projects under development		48,000
(6) Undeveloped power sites		263,000
(7) Total ultimate capacity of plants		747,600

Power Corporation of Canada, Limited, owns 33.67% per cent of the oustanding Common Stock of these utilities.

CONTROL OF BANKS IS UNAFFECTED BY MARKET MOVEMENT

American Buying for Investment Trust Purposes

Heavy trading in Canadian bank stocks and the sending of prices to new record levels during the past week, caused some apprehension in the minds of Canadians that control of these institutions was passing into other hands, ostensibly American. In view of the small number of banks operating in this country and the dominant position they occupy in regard to the Dominion's finances, such a possibility was not one to be regarded with indifference.

Fears were further aggravated when it became known that an investment trust had been formed in New York to hold stocks in Canadian chartered banks. Such an organization was conceived by Ernst and Co., bankers and brokers, in view of the fact that Canadian bank shares yield substantially more than do American bank stocks and with that end in view between $500,000 and $750,000 worth of the stocks of nine chartered banks of the Dominion were purchased. But it is apparent that the fears have been exaggerated, for the volume of stocks changing hands has not been great.

The new trust is known as the Canadian Bank Stock Trust Shares, an investment trust of United States Shares Corporation, and is incorporated under the laws of the State of New York. One thousand shares of this organization represent fifty-eight shares in nine chartered banks of Canada, plus a cash fund of $1,000 to provide for the exercise of stock subscription rights. The stock is being publicly offered at $20.50 a share.

Under the terms of the trust deed, the investment of the Canadian Bank Stock Trust Shares, funds is limited absolutely to the shares of the chartered banks. An unusual feature of the financial setup of the trust is the provision that units of the trust will be convertible at the holder's option, into the actual securities held by the trustees.

Excitement Uncalled For

When the move in Canadian bank stocks became more than of market interest, rumors soon spread that a $10,000,000 American organization was out to secure control of a number of banks without regard to the price they would pay for controlling interest. This story was given circulation by sensation-mongering papers, but when definite information was forthcoming on the source of the American buying, excitement simmered down.

Furthermore, mature judgment showed that to gain control of any of the chartered banks was more than jumping into the open market and sending the stocks up 25, 50 or more points at each bid. Bank stocks are not purchased for speculative purposes. They are bought by institutions, trustees, and others interested in a reasonable yield combined with a maximum of safety. Consequently, purchases are small and widespread, and until last week, very little Canadian bank stock appeared on the market.

If any one individual or institution set out with the primary purpose of securing control of one of the Canadian chartered banks they would encounter two obstacles of no mean importance. While there is no law in this country which would limit foreign buying of Canadian stocks, bank or any other kind, shares of Canadian banks are so scattered and so tightly held that any very large buying would defeat the investment purpose for which they were sought. Then again section 2 sub-section 3 of the bank act provides that a majority of the directors of all Canadian banks shall be British subjects, born or naturalized and domiciled in Canada.

Issues Reassuring Statement

In an official statement, Hon. J. A. Robb, minister of finance, had the following to say in regard to the possibility of a change in control of Canadian banks:

"The first intimation I have had of this was from noticing in the press the increased valuation of Canadian bank stocks. That did not surprise me because the prosperity of the country has brought about such confidence in Canadian banks that they are now considered a good investment for those looking for stability rather than a high rate of interest........

"While Canadian bank stocks have always been held more or less outside Canada, I cannot believe that there is the slightest possibility of these institutions getting out of the hands of Canadians.'"

BEATTY EXPLAINS DROP IN C.P.R. NET

Does Not Expect Last Few Months to Overtake Effect of High Wages

"The decline in Canadian Pacific Railway net earnings for the first seven months of the year is largely attributable to increased wage scales, and while we expect the gross earnings for the succeeding five months to be in excess of last year, they probably will not be sufficient to offset the effect on net earnings of the additions to working expenses through higher wages," said Edward W. Beatty, president of the Canadian Pacific Railway .'It is very difficult to accurately forecast the results of rail earnings in Canada because the grain traffic cannot be correctly gauged in advance of harvesting and threshing returns. From the information at our disposal, I would anticipate a small decrease in grain traffic during the month of September, largely owing to the lateness of the crop, and an increase of 5 to 7 per cent. during each of the months of October, November and December."

Referring to the special income of the Canadian Pacific from its steamship lines, hotels, investments, telegraph lines, etc., Mr. Beatty said: "The total special income should be greater than that of 1926, which slightly exceeded $11,000,000.

"The fixed charges, due to a full year's interest on our 20-year collateral trust bonds being included in this year's accounts, will also be higher than in 1926.

"The market for farm lands is showing greater activity, 217,169 acres of the company's lands having been sold to July 1 of this year, as against 205,899 acres during the same period of 1926."

Gross revenues of the Canadian Pacific for the first seven months were $104,871,277 compared with $101,826,206 last year, and net after taxes was $16,139,085, as against $17,877,823. Gross results were the best for any similar period since 1920, and net was best since 1918 excepting last year. In 1926 the road showed earnings of $14.12 a share on $260,000,000 ordinary stock, as compared with $12.52 in 1925.

D. C. Coleman, western vice-president of the Canadian Pacific Railway, says, "An excellent prospective crop and first class business conditions spell a year of high prosperity for Western Canada."

Capital: $1,000,000
Reserve: 350,000

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23

Lake of the Woods Has Earned Its Dividend

From Our Own Correspondent.

MONTREAL.—The fiscal year of the Lake of the Woods Milling Company ended on August 31 last. It is said that during the 1927 year the company for the first time since 1924 has earned its full common share dividends. Dividends during the past two years have been drawn from surplus account. The ability of the company to pass through two lean years without cutting its dividends has been due to the sound conservative policies followed by the management in the past. These policies have built the company up into a strong financial position, which has allowed it pass through a period of dull business without materially affecting its position.

The improvement in the earnings apparently cannot be traced to better overseas markets, for the foreign export figures of flour issued by the Dominion Bureau of Statistics show no betterment in the foreign situation as far as the flour millers are concerned. There has, however, been a distinct betterment in the earnings from domestic sales. In this field, it is understood that the price cutting which has prevailed within recent years has been eliminated.

Sale of Wabana Output Should Help B.E. Steel

From Our Own Correspondent

MONTREAL.—The entire output of the Bell Island iron mines for 1928, which is estimated at 1,300,000 tons, has been sold in advance. Of the foregoing total, 800,000 tons will go to Germany, 100,000 tons to the United States, and 400,000 tons to the British Empire Steel Corporation's own smelters in Nova Scotia. The operation of the mines during the year will give employment to some 1,500 workers.

Of the Bell Island iron mines, or the Wabana mines as they are more commonly called, the Dominion Iron and Steel Company owns about 75 per cent., and the remaining 25 per cent. is owned by the Nova Scotia Steel and Coal Company. The sale of the entire output for 1928 indicates that the earnings of the Dominion Iron and Steel, and the Nova Scotia Steel and Coal, should be bettered during the coming year.

FRONTENAC EXPANDS

MONTREAL.—The announcement that the Frontenac Oil Refineries has purchased the Tidioute Refining Company of Canada as from September 1, is of little interest to the Frontenac bondholders. When the bonds were offered to the public, recently, the Frontenac Oil Refineries had already completed the purchase negotiations and, as a consequence, information on the Frontenac Oil Refineries which was published at the times the bonds were sold included also the operations of the newly-acquired organization.

"The evidence of prosperity is all in favor of Canada as compared with the United States," declares W. A. Vernon, director of Spillers Ltd., London, Eng.

NEWBOLD C. JONES
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JONES, NEWTON & HEWARD

MEMBERS MONTREAL STOCK EXCHANGE
105-106 TRANSPORTATION BUILDING
TELEPHONE MAIN 2411*

New Issue

$10,133,000

Port Alfred Pulp and Paper Corporation

First Mortgage Sinking Fund Gold Bonds

5½% Series A

To be dated November 1st, 1927. To mature November 1st, 1957.

Principal and semi-annual interest (November 1st and May 1st) payable at the holder's option in Canadian gold coin at The Royal Bank of Canada in Montreal, Toronto, Halifax, St. John, Winnipeg, Regina, Edmonton and Vancouver, or in United States gold coin at the Agency of The Royal Bank of Canada, New York, or in gold coin of the Kingdom of Great Britain at The Royal Bank of Canada, London, England, at the fixed rate of $4.86 2/3 to £1 sterling. Issuable as Coupon Bonds in denominations of $1,000 and $500, registerable as to principal only, and fully registered Bonds in denominations of $1,000 and authorized multiples thereof. Coupon Bonds and fully registered Bonds interchangeable as provided in Trust Deed. Redeemable as a whole or in part at the option of the Corporation on any interest date on thirty days' notice at the following prices and accrued interest: at 105 if redeemed on or before November 1st, 1932, and thereafter at 1% less for each subsequent five years, or part thereof, up to and including November 1st, 1942, and thereafter at 102. Montreal Trust Company, Trustee.

These Bonds will be offered simultaneously in Montreal, Toronto and New York. In addition, there will also be offered in London, England, £1,000,000 ($4,866,667) of 5½% Registered Debenture Stock, Series A, ranking pari passu therewith.

Annual Cumulative Sinking Fund commencing November 1st, 1932, sufficient to retire at or before maturity all of the Bonds and Registered Debenture Stock of Series A.

Legal Investment for Life Insurance Companies under the Insurance Act, 1917, Canada.

For detailed information, we refer to the prospectus containing letter from Geo. M. McKee, President of the Corporation, which has been summarized in part as follows:—

The Corporation

Port Alfred Pulp & Paper Corporation, incorporated under the laws of the Province of Quebec, owns and operates newsprint paper and sulphite pulp mill properties at Port Alfred, P.Q., with daily capacity of 600 tons paper and sulphite pulp, or an annual capacity of 135,000 tons newsprint and 45,000 tons surplus sulphite pulp for sale. The Corporation owns or controls pulpwood areas estimated to contain over 20,000,000 cords pulpwood, sufficient for practically a perpetual supply of pulpwood at capacity operations. Through control of water powers and by favorable contracts with The Quebec Development Company, Limited, the Corporation is assured of adequate power supply at low cost.

Port Alfred Pulp & Paper Corporation, in association with Price Brothers & Company, Limited, subject to the approval of the shareholders of Quebec Pulp & Paper Mills, Limited, will acquire for cash, on the basis of one-half interest each, the entire common shares of a company to be incorporated to acquire the undertaking and assets of Quebec Pulp & Paper Mills, Limited.

Earnings

Net earnings of the Corporation for the fifteen months ended August 31st, 1927, during which period newsprint has been produced, as certified by Messrs. P. S. Ross & Sons, Chartered Accountants, Montreal, available for Bond interest, depreciation and depletion were $2,582,547, or at the rate of $2,066,038 per annum—equal to over 2½ times annual interest on the Bonds and Registered Debenture Stock of this issue.

For the eight months ended August 31st, 1927, corresponding net earnings, as certified by Messrs. P. S. Ross & Sons, Chartered Accountants, were $1,682,370—or at the rate of $2,523,555 per annum, equal to over 3 times annual interest on the Bonds and Registered Debenture Stock of this issue.

These earnings were attained notwithstanding operation at considerably less than capacity owing to conditions prevailing throughout the newsprint industry.

Assets

Net tangible assets of the Corporation, including plants, properties, buildings, timber limits and leases and current assets, after giving effect to the proposed financing and deducting all current liabilities, according to the Corporation's Balance Sheet as at August 31st, 1927, as certified by Messrs. P. S. Ross & Sons, Chartered Accountants, had a depreciated value of $35,146,776.

Working Capital

Net current assets of the Corporation, according to the Balance Sheet of the Corporation as at August 31st, 1927, as certified by Messrs. P. S. Ross & Sons, Chartered Accountants, after giving effect to proposed financing and deducting all current liabilities, were $5,220,547. On completion of the proposed financing the Corporation will have no bank loans.

Purpose of Proposed Financing

The Trust Deed under which the Bonds are to be issued will provide a permanent flexible medium for financing the Corporation's future expansion. The proceeds of this issue of Bonds and Registered Debenture Stock of Series A will be used to provide funds for the acquisition of the Corporation's interest in the successor company to Quebec Pulp & Paper Mills, Limited; to retire $7,925,500 presently outstanding First Mortgage Bonds, which will be called for redemption; to retire $1,860,000 6% Deferred Notes collaterally secured by Income Debentures, which will be cancelled and the mortgage securing them discharged, and to pay off bank loans in their entirety, thereby placing the Corporation in a strong liquid position and substantially reducing its annual charges.

Bond Issue

The total amount of First Mortgage Bonds (including Registered Debenture Stock) which will be issuable under the Trust Deed, for the purposes and under the restrictions therein provided, is $35,000,000, or its equivalent in Sterling at the rate of $4.86 2/3 to £1. Bonds of any Series may be issued either as coupon or fully registered Bonds; or as Registered Debenture Stock, payable as to principal and interest only in London, England. Of the $14,999,667 Bonds of Series A authorized for immediate issue, $10,133,000 will be offered as coupon and fully registered First Mortgage Sinking Fund Gold Bonds, 5½%; and £1,000,000 ($4,866,667) will be offered as 5½% Registered Debenture Stock. At the option of the Corporation and with the consent of the holder, Bonds of Series A may be exchanged for an equal principal amount of Registered Debenture Stock of Series A and vice versa.

We offer these Bonds for delivery if, as and when issued and accepted by us and subject to the approval of our Counsel, at

Price: 97 and interest, yielding over 5.70%

Wood, Gundy & Company
Limited

Winnipeg, Hamilton, London, Ont. — 36 King Street West, Toronto, Telephone: Elgin 4321 — Montreal, New York, London, Eng.

The information contained in this advertisement is based upon statements and statistics on which we have relied in the purchase of these Bonds. We do not guarantee, but believe the statements herein made to be true.

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Vice-President & Gen'l. Manager: WM. W. HUTCHISON.

Directors:
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Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.